Rights Issue Prospectus
Naseej International Trading Company

The offering of preemptive rights shares under this prospectus is subject to the shareholders' approval of the capital increase in accordance with the Board of Directors' recommendation and the company's obtaining regulatory approvals. An invitation to convene the Extraordinary General Assembly of the company to approve the issuance of preemptive rights shares was published on **/**/****H (corresponding to **/**/****G). Shareholders should be aware that if the shareholders' approval of the offering of preemptive rights shares is not obtained, the issuance of preemptive rights shares will automatically stop, and at that time this prospectus will be considered null and void and shareholders will be notified accordingly. This Prospectus is an unofficial English translation of the official Arabic Prospectus and is provided for information purposes only. The Arabic Prospectus published on the CMA's website **(cma.gov.sa)** remains the only official, legally binding version and shall prevail in the event of any conflict between the two language versions.

Naseej International Trading Company is a Saudi joint stock company established pursuant to Ministerial Resolution No. (276/Q) dated 01/11/1428H (corresponding to 11/11/2007G) and Ministerial Resolution No. (325/Q) dated 21/11/1428H (corresponding to 31/12/2007G) and under Commercial Registration No. (4030133919) issued in Jeddah dated 05/03/1422H (corresponding to 28/05/2001G).

Offering of sixteen million three hundred forty-five thousand nine hundred fifty-one (16,345,951) ordinary shares with a nominal value of ten (10) Saudi Riyals per share and at an offering price of ten (10) Saudi Riyals per share through the issuance of Preemptive Rights Shares with a total value of one hundred sixty-three million four hundred fifty-nine thousand five hundred ten (163,459,510) Saudi Riyals representing an increase in the company's capital by (150%), in order to increase the company's capital from one hundred eight million nine hundred seventy-three thousand ten (108,973,010) Saudi Riyals divided into ten million eight hundred ninety-seven thousand three hundred one (10,897,301) ordinary shares to two hundred seventy-two million four hundred thirty-two thousand five hundred twenty (272,432,520) Saudi Riyals divided into twenty-seven million two hundred forty-three thousand two hundred fifty-two (27,243,252) ordinary shares.

Trading period — Begins on ** **/**/****H (corresponding to **/**/****G) and ends on ** **/**/****H (corresponding to **/**/****G)

Subscription period — Begins on ** **/**/****H (corresponding to **/**/****G) and ends on ** **/**/****H (corresponding to **/**/****G)

Naseej International Trading Company ("Naseej" or the "Company") is a Saudi joint stock company, established as a limited liability company and registered in the Commercial Registration in Jeddah under Certificate No. (4030133919) dated 05/03/1422H (corresponding to 28/05/2001G) under the commercial name "Al-Sorayai Carpet Factory Company". On 11/11/1427H (corresponding to 02/12/2006G), "Abdullah & Nasser Abdulaziz Al-Sorayai General Partnership Company" and "Jeddah Industrial Yarn Factory Company Limited" were merged into Al-Sorayai Carpet Factory Company, and the merger resulted in amending the commercial name of the company to become "Al-Sorayai Trading Industrial Group Company Limited" pursuant to the partners' resolution certified by the notary public dated 17/01/1428H (corresponding to 05/02/2007G). On 19/10/1428H (corresponding to 31/10/2007G), the partners decided to convert the company from a limited liability company into a closed joint stock company while retaining the same commercial name without the word "Limited" to make the commercial name of the company "Al-Sorayai Trading Industrial Group Company", and the approval of His Excellency the Minister of Commerce and Investment on the conversion was issued pursuant to Ministerial Resolution No. (276/Q) dated 01/11/1428H (corresponding to 11/11/2007G) and the Ministerial Resolution announcing the incorporation of the company No. (325/Q) dated 21/11/1428H (corresponding to 31/12/2007G), and it was registered as a closed joint stock company while retaining the same number and date of the Commercial Registration Certificate (4030133919) issued in Jeddah. On 08/03/1431H corresponding to 22/02/2010G, the company was converted from a Saudi (closed) joint stock company to a Saudi (public) joint stock company, and its shares were listed on the Saudi Stock Exchange (Main Market). On 03/09/1441H (corresponding to 26/04/2020G), the Extraordinary General Assembly approved changing the company's name from Al-Sorayai Trading Industrial Group Company to Naseej International Trading Company. The company's head office is located in the Industrial Area - Jeddah 22429 Kingdom of Saudi Arabia.

The current capital of the company is one hundred eight million nine hundred seventy-three thousand ten (108,973,010) Saudi Riyals divided into ten million eight hundred ninety-seven thousand three hundred one (10,897,301) ordinary shares ("Shares") with a nominal value of ten (10) Saudi Riyals per share, fully paid (individually referred to as an "Existing Share" and collectively as "Existing Shares"). As of the date of publishing this Prospectus, there are no substantial shareholders in the company (who own 5% or more of the company's shares).

On 01/05/1447H (corresponding to 23/10/2025G) the company's board of directors recommended increasing the company's capital through the offering of Preemptive Rights Shares with a value of one hundred sixty-three million four hundred fifty-nine thousand five hundred ten (163,459,510) Saudi Riyals. to settle financial obligations and support the future growth strategy.

On **/**/****H (corresponding to **/**/****G) the company's extraordinary general assembly approved increasing the company's capital through the issuance of Preemptive Rights Shares ("Subscription"), and the subscription consists of sixteen million three hundred forty-five thousand nine hundred fifty-one (16,345,951) new ordinary shares ("Preemptive Rights Shares" or "New Shares") at an offering price of ten (10) Saudi Riyals per share ("Offering Price"), and with a nominal value of ten (10) Saudi Riyals in order to increase the company's capital from one hundred eight million nine hundred seventy-three thousand ten (108,973,010) Saudi Riyals divided into ten million eight hundred ninety-seven thousand three hundred one (10,897,301) ordinary shares to two hundred seventy-two million four hundred thirty-two thousand five hundred twenty (272,432,520) Saudi Riyals divided into twenty-seven million two hundred forty-three thousand two hundred fifty-two (27,243,252) ordinary shares.

Preemptive rights will be issued as tradeable securities (collectively referred to as "Preemptive Rights" and individually as a "Preemptive Right") to shareholders owning shares at the end of trading on the day of the extraordinary general assembly meeting that includes approval of the capital increase ("Eligibility Date") and who are registered in the company's shareholders register at the Depository Center at the end of the second trading day following the day of the extraordinary general assembly meeting that includes approval of the capital increase on **/**/****H (corresponding to **/**/****G) (collectively referred to as "Registered Shareholders" and individually as a "Registered Shareholder") provided that those rights are deposited in the portfolios of Registered Shareholders after the extraordinary general assembly meeting taking into account settlement procedures at a rate of (1.5) rights for every (1) share of the company's shares and each right entitles its holder to subscribe to one new share at the offering price.

Registered Shareholders and other public investors (collectively referred to as "New Investors") – who are entitled to trade rights and subscribe to new shares - will be able to trade and subscribe to Preemptive Rights Shares on the Saudi Stock Exchange ("Tadawul" or the "Market"). The trading period and the subscription period shall commence after (3) three business days from the approval of the extraordinary general assembly that includes approval of the capital increase, on **/**/****H (corresponding to **/**/****G) provided that the trading period ends on **/**/****H (corresponding to **/**/****G) (referred to as the "Trading Period"), while the subscription period continues until the end of **/**/****H (corresponding to **/**/****G) (referred to as the "Subscription Period"). It should be noted that the trading period and the subscription period will commence on the same day, while the trading period continues until the end of the sixth day from the beginning of the period, whereas the subscription period continues until the end of the ninth day from the beginning of the same period. Note that the trading hours for preemptive rights start from ten (10:00) AM until three (3:00) PM, while the subscription hours for preemptive rights start from ten (10:00) AM until two (2:00) PM. Registered Shareholders will be able to trade preemptive rights during the trading period by selling the acquired rights or a part thereof, or purchasing additional rights through the Market. They also have the right not to take any action regarding the rights they own. New Investors will also be able during the trading period to purchase rights through the Market and sell the rights purchased during the trading period.

The subscription to the new shares will be available in one phase as follows:

1. During this period, all registered shareholders and new investors will be able to subscribe to the new shares.
2. A shareholder with a limited number of shares will be able to subscribe directly for the number of shares they own or fewer during the subscription period. If they purchase new rights, they will be able to subscribe to them after the settlement period (two business days).
3. New investors will be able to subscribe to the new shares immediately after the rights purchase process is settled (two business days).
4. Subscription will be available electronically through the investment portfolio on trading platforms and applications through which buy and sell orders are entered, in addition to subscription through other channels and means available at the broker.

In the event that any shares remain unsubscribed for after the end of the subscription period (referred to as "Rump Shares"), those shares will be offered (at the offering price as a minimum) to a number of institutional investors (referred to as "Institutional Investors") (this offering process is referred to as the "Rump Offering"). Those Institutional Investors will submit their bids to purchase the Rump Shares and those bids will be received starting from ten AM on **/**/****H (corresponding to **/**/****G) until five PM on **/**/****H (corresponding to **/**/****G) (referred to as the "Rump Offering Period"). The Rump Shares will be allocated to the Institutional Investors with the highest bid then the lower then the lower (provided it is not less than the offering price) provided that shares are allocated proportionally to the Institutional Investors that submit the same bid. As for fractional shares, they will be added to the Rump Shares and treated concurrently, and the total offering price collected from the Rump Offering process will be paid to the company, and the rest of the proceeds from selling the Rump Shares and fractional shares (in excess of the offering price) will be distributed without calculating any fees or deductions to their beneficiaries, from the eligible persons who did not exercise their right to subscribe fully or partially as well as holders of fractional shares each according to what they are entitled to no later than **/**/****H (corresponding to **/**/****G). Note that the investor who did not subscribe or sell their rights, and owners of fractional shares may not receive any consideration if the sale is made during the Rump Offering period at the offering price.

In the event that Institutional Investors do not subscribe to all Rump Shares and fractional shares, the remaining shares will be allocated to the underwriter who will purchase them at the offering price (**for more details, please refer to Section (12) "Information related to the shares and the terms and conditions of the offering" of this Prospectus**). The final allocation process will be announced no later than **/**/****H (corresponding to **/**/****G) (referred to as the "Allocation Date") (**for more details, please refer to Section (12) "Information related to the shares and the terms and conditions of the offering**"). After completion of the subscription process, the company's capital will become two hundred seventy-two million four hundred thirty-two thousand five hundred twenty (272,432,520) Saudi Riyals divided into twenty-seven million two hundred forty-three thousand two hundred fifty-two (27,243,252) ordinary shares. The net offering proceeds will be used for the purpose of settling financial obligations and supporting the future growth strategy. (**please refer to Section (6) "Use of the Offering Proceeds and Future Projects**").

All shares of the company are of a single class, and no share grants its holder preferential rights. The new shares will be fully paid up and of equal value to the existing shares. Each share entitles its holder to one vote, and every shareholder in the company ("Shareholder") has the right to attend and vote at the general meeting of shareholders ("General Assembly") (whether ordinary or extraordinary). Holders of the new shares will be entitled to any dividends declared by the company after the date of issue (if any).

The company's shares were listed on the Saudi Stock Exchange on 08/03/1431H (corresponding to 22/02/2010G) with a capital of three hundred million (300,000,000) Saudi Riyals divided into thirty million (30,000,000) ordinary shares and with a nominal value of ten (10) Riyals per share, and on 20/05/1434H (corresponding to 01/04/2013G) the company increased its capital from three hundred million (300,000,000) Saudi Riyals to three hundred seventy-five million (375,000,000) Saudi Riyals and thus increasing the number of the company's shares from thirty million (30,000,000) ordinary shares to thirty-seven million five hundred thousand (37,500,000) ordinary shares through the capitalization of retained earnings by issuing (1) one share for every four (4) shares owned by the Registered Shareholders in the company's registers at the end of trading on the second day following the extraordinary general assembly meeting. On 10/04/1439H (corresponding to 28/12/2017G) the company reduced its capital from three hundred seventy-five million (375,000,000) Saudi Riyals to two hundred twenty-five million (225,000,000) Saudi Riyals, and thus reducing the number of the company's shares from thirty-seven million five hundred thousand (37,500,000) ordinary shares to twenty-two million five hundred thousand (22,500,000) ordinary shares by canceling fifteen million (15,000,000) ordinary shares and with a reduction percentage of (40%) of the company's capital and at a reduction rate of two (2) shares for every five (5) shares. On 27/12/1440H (corresponding to 28/08/2019G) the company's capital was reduced from two hundred twenty-five million (225,000,000) Saudi Riyals to sixty-five million five hundred thousand (65,500,000) Saudi Riyals, and thus reducing the number of the company's shares from twenty-two million five hundred thousand (22,500,000) ordinary shares to six million five hundred fifty thousand (6,550,000) ordinary shares through canceling fifteen million nine hundred fifty thousand (15,950,000) ordinary shares, and with a reduction percentage of (70.89%) of the company's capital and at a reduction rate of (1) share for every (1.41) shares. On 27/05/1441H (corresponding to 22/01/2020G) the company increased its capital from sixty-five million five hundred thousand (65,500,000) Saudi Riyals to one hundred seventy-eight million one hundred sixty thousand (178,160,000) Saudi Riyals and thus increasing the number of the company's shares from six million five hundred fifty thousand (6,550,000) ordinary shares to seventeen million eight hundred sixteen thousand (17,816,000) ordinary shares through the issuance of Preemptive Rights Shares with a value of one hundred twelve million six hundred sixty thousand (112,660,000) Saudi Riyals and with a number of eleven million two hundred sixty-six thousand (11,266,000) ordinary shares and at an issuance rate of (1.72) rights for every (1) share. On 05/05/1442H (corresponding to 20/12/2020G) the company reduced its capital from one hundred seventy-eight million one hundred sixty thousand (178,160,000) Saudi Riyals to sixty-one million six hundred thirty-two thousand ten (61,632,010) Saudi Riyals, and thus reducing the number of the company's shares from seventeen million eight hundred sixteen thousand (17,816,000) ordinary shares to six million one hundred sixty-three thousand two hundred one (6,163,201) ordinary shares by canceling eleven million six hundred fifty-two thousand seven hundred ninety-nine (11,652,799) ordinary shares, and with a capital reduction percentage of approximately (65.4%), and at a reduction rate of (1) share for every (1.529) shares. On 29/03/1443H (corresponding to 04/11/2021G) the company increased its capital from sixty-one million six hundred three-two thousand ten (61,632,010) Saudi Riyals to two hundred eleven million six hundred thirty-two thousand ten (211,632,010) Saudi Riyals and thus increasing the number of the company's shares from six million one hundred sixty-three thousand two hundred one (6,163,201) ordinary shares to twenty-one million one hundred sixty-three thousand two hundred one (21,163,201) ordinary shares through the issuance of Preemptive Rights Shares with a value of one hundred fifty million (150,000,000) Saudi Riyals and with a number of fifteen million (15,000,000) ordinary shares and at an issuance rate of (2.434) rights for every (1) share. On 19/12/1443H (corresponding to 18/07/2022G) the company reduced its capital from two hundred eleven million six hundred thirty-two thousand ten (211,632,010) Saudi Riyals to one hundred eight million nine hundred seventy-three thousand ten (108,973,010) Saudi Riyals, and thus reducing the number of the company's shares from twenty-one million one hundred sixty-three thousand two hundred one (21,163,201) shares to ten million eight hundred ninety-seven thousand three hundred one (10,897,301) shares by canceling ten million two hundred sixty-five thousand nine hundred (10,265,900) shares, and with a capital reduction percentage of approximately (48.51%), and at a reduction rate of (1) share for every (2.06) shares.

The company's existing shares are currently traded on the Saudi Stock Exchange ("Tadawul" or the "Market"). The company has submitted an application to the Capital Market Authority in the Kingdom of Saudi Arabia ("CMA") for the registration and offering of the new shares, and has also submitted an application to the Saudi Stock Exchange ("Tadawul") for the approval of their listing, and all required documents have been submitted and all requirements of the relevant authorities have been met, and this Prospectus has been approved by the Capital Market Authority in the Kingdom of Saudi Arabia ("CMA"). It is expected that trading of the new shares on the Exchange will commence shortly after the completion of the allocation process of the new shares and the refund of surplus (**please refer to Page No. (P) "Important Dates and Subscription Procedures**"). Trading in the new shares - after their registration and approval of listing - will be available to citizens of the Kingdom of Saudi Arabia and residents therein legally, citizens of the GCC member states, Saudi and GCC companies and investment funds, in addition to foreign investors pursuant to the Rules Governing Foreign Investment in Securities.

This prospectus should be read in its entirety and the "**Important Notice" section on page (A)** and **section (2) "Risk Factors"** contained in this prospectus should be studied before making an investment decision regarding the new rights or shares.

Financial Advisor and Underwriter

wasatah capital وساطة كابيتال

Lead Manager

مشاركة Musharaka

This Prospectus contains information provided within the application for registration and offering of securities in accordance with the requirements of the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority in the Kingdom of Saudi Arabia (referred to as the "CMA") and the application for admission to listing of securities in accordance with the requirements of the Listing Rules of the Saudi Stock Exchange. The board of directors' members whose names appear in this Prospectus collectively and individually bear full responsibility for the accuracy of the information contained in this Prospectus, and confirm, to the best of their knowledge and belief, after conducting all possible studies and to a reasonable extent, that there are no other facts the omission of which would make any statement herein misleading. The CMA and the Saudi Stock Exchange do not bear any responsibility for the contents of this Prospectus, and do not give any assurances regarding its accuracy or completeness, and expressly disclaim themselves from any responsibility whatsoever for any loss resulting from what is contained in this Prospectus or from relying on any part thereof.

This Prospectus was issued on 03/01/1448H (corresponding to 18/06/2026G)

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Important Notice

This prospectus ("Prospectus") contains detailed information about Naseej International Trading Company and the Preemptive Rights Shares offered for subscription. When applying to subscribe to the new shares, investors will be treated as if their applications are based on the information contained in this prospectus, a copy of which can be obtained from the company's headquarters, the lead manager, or by visiting the websites of the company **(www.al-sorayai.com)**, the financial advisor **(www.wasatah.com.sa)**, and the Capital Market Authority **(cma.gov.sa)**.

The prospectus will be published and made available to the public for a period of no less than (14) days before the date of the Extraordinary General Assembly meeting for the capital increase. If the Extraordinary General Assembly does not approve within six months from the date of the Authority's approval of the registration and offering of priority rights, the Authority's approval shall be considered null and void.

The Company has appointed Al Wasatah Al Maliah Company ("Wasatah Capital") as its Financial Advisor (the "Financial Advisor") and Musharaka Capital as its Lead Manager (the "Lead Manager"). The Company has also appointed Al Wasatah Al Maliah Company ("Wasatah Capital") as its Underwriter (the "Underwriter") for the rights issue to increase the Company's capital under this prospectus.

This Prospectus contains information provided in accordance with the requirements of the Rules on the Offer of Securities and Continuing Obligations issued by the Board of the Capital Market Authority pursuant to Resolution No. 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G) based on the Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1444H and amended by Resolution of the Board of the Capital Market Authority No. (3-6-2026) dated 30/07/1447H (corresponding to 19/01/2026G). The board of directors' members whose names appear on **Page (D)** collectively and individually bear full responsibility for the accuracy of the information contained in this Prospectus, and confirm, to the best of their knowledge and belief, after conducting all possible studies and to a reasonable extent, that there are no other facts the omission of which would make any statement herein misleading. The Capital Market Authority and Tadawul Group (Tadawul) do not bear any responsibility for the contents of this Prospectus, and do not give any assurances regarding its accuracy or completeness, and expressly disclaim themselves from any responsibility whatsoever for any loss resulting from what is contained in this Prospectus or from relying on any part thereof.

Although the company has conducted all reasonable studies to investigate the accuracy of the information contained in this Prospectus as of its issuance date, part of the information contained in this Prospectus was obtained from external sources, and while the company, any of its directors, its board of directors' members, the financial advisor, or any of the company's advisors whose names appear on **Page (F,G) ("Advisors")** do not have any reason to believe that this information is materially inaccurate, this information has not been independently verified, and therefore no commitment or statement can be made regarding the accuracy or completeness of this information.

The information contained in this Prospectus as of its issuance date is subject to change, especially since the financial position of the company and the value of the subscription shares could be adversely affected as a result of future developments such as inflation factors, interest rates, taxes, or other economic, political, or other factors beyond the company's control **(please refer to Section (2) "Risk Factors").** The provision of this Prospectus or any oral or written information related to the offered shares, or its interpretation or reliance thereon, shall not be considered, in any way whatsoever, as a promise, assurance, or representation regarding the realization of any future revenues, results, or events.

This Prospectus shall not be considered a recommendation on the part of the company, its board of directors' members, or any of its advisors to participate in the subscription process for the Preemptive Rights Shares. The information contained in this Prospectus is of a general nature and has been prepared without taking into account individual investment objectives, financial position, or special investment needs. Each person (natural or legal) receiving this Prospectus, and prior to making an investment decision, bears the responsibility of obtaining professional advice from a financial advisor licensed by the CMA regarding the subscription to evaluate the suitability of this investment and the information provided regarding it in this Prospectus for their own objectives, financial positions, and needs.

Registered Shareholders and other public investors ("New Investors") – who are entitled to trade rights and subscribe to new shares - will be able to trade and subscribe to Preemptive Rights Shares on the Saudi Stock Exchange ("Tadawul" or the "Market"). The trading period and the subscription period shall commence after (3) three business days from the approval of the extraordinary general assembly that includes approval of the capital increase, on **/**/****H (corresponding to **/**/****G) provided that the trading period ends on **/**/****H (corresponding to //****G) ("Trading Period"), while the subscription period continues until the end of **/**/****H

(corresponding to **/**/****G) ("Subscription Period"). It should be noted that the trading period and the subscription period will commence on the same day, while the trading period continues until the end of the sixth day from the beginning of the period, whereas the subscription period continues until the end of the ninth day from the beginning of the same period. Note that the trading hours for preemptive rights start from ten (10:00) AM until three (3:00) PM, while the subscription hours for preemptive rights start from ten (10:00) AM until two (2:00) PM.

Registered Shareholders will be able to trade preemptive rights during the trading period by selling the acquired rights or a part thereof, or purchasing additional rights through the market, or not taking any action regarding the acquired rights, New Investors will also be able during the trading period to purchase rights through the market and sell the rights purchased during the trading period.

The subscription to the new shares will be available in one phase as follows:

1. During this period, all registered shareholders and new investors will be able to subscribe to the new shares.
2. A registered shareholder will be able to subscribe directly for the number of shares they own during the subscription period. If they purchase new rights, they will be able to subscribe to them after the settlement period (two business days).
3. New investors will be able to subscribe to the new shares immediately after the rights purchase process is settled (two business days).
4. Subscription will be available electronically through the investment portfolio on trading platforms and applications through which buy and sell orders are entered, in addition to subscription through other channels and means available at the broker.

In the event that any shares remain unsubscribed for after the end of the subscription period ("Rump Shares"), those shares will be offered to a number of institutional investors (referred to as "Institutional Investors") (this offering process is referred to as the "Rump Offering"). Those Institutional Investors will submit their bids to purchase the Rump Shares and those bids will be received starting from ten AM on **/**/****H (corresponding to **/**/****G) until five PM on the following day **/**/****H (corresponding to **/**/****G) ("Rump Offering Period"). The Remaining Shares will be allocated to the Institutional Investors with the highest bid then the lower then the lower (provided it is not less than the offering price) provided that shares are allocated proportionally to the Institutional Investors that submit the same bid. As for fractional shares, they will be added to the Rump Shares and treated concurrently, and the total offering price collected from the Rump Offering process will be paid to the company, and the rest of the proceeds from the offering process (if any) (in excess of the offering price) will be distributed without calculating any fees or deductions to their beneficiaries each according to what they are entitled to no later than **/**/****H (corresponding to **/**/****G). Note that the investor who did not subscribe or sell their rights, and owners of fractional shares, may not receive any consideration if the sale is made during the Rump Offering period at the offering price.

In the event that Institutional Investors do not subscribe to all Remaining Shares and fractional shares, the remaining shares will be allocated to the underwriters who will purchase them at the offering price **(please refer to Section (12) "Information related to the shares and the terms and conditions of the offering").** The final allocation process will be announced no later than **/**/****H (corresponding to **/**/****G) ("Allocation Date") **(please refer to Section (12) "Information related to the shares and the terms and conditions of the offering ").**

The offering of Preemptive Rights Shares under this Prospectus is subject to the shareholders' approval, and an invitation to the extraordinary general assembly meeting of the company to approve the issuance of Preemptive Rights Shares will be published on **/**/****H (corresponding to **/**/****G) and investors should note that if the shareholders' approval is not obtained at that meeting for the offering of Preemptive Rights Shares, the issuance of Preemptive Rights Shares will be discontinued, and this Prospectus will be considered null and void immediately, and shareholders will be notified accordingly.

Information about the sector and the market

The information and data relating to the Saudi economy and market contained in this prospectus were obtained from various public sources. While there is no reason to believe that this information is inherently inaccurate, the Board members, shareholders, and advisors have not independently verified its accuracy and, therefore, no statement or assurance can be given regarding its completeness or accuracy.

Financial Information

The audited consolidated financial statements of the company for the financial years ended 31 December 2022G, 31 December 2023G, and 31 December 2024G and the notes attached thereto, and the unaudited nine-month period ended 30 September 2025G and the notes attached thereto, have been prepared in accordance with International Financial Reporting Standards (IFRS) endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA). The financial statements for the years ended 31 December 2022G, 2023G, and 2024G were audited by El-Sayed El-Ayouty & Co. Certified Public Accountants, and the unaudited consolidated financial statements for the nine-month period ended 30 September 2025G were reviewed by El-Sayed El-Ayouty & Co. Certified Public Accountants. The company issues its financial statements in Saudi Riyals.

It should be noted that some of the financial and statistical information contained in this prospectus has been rounded to the nearest whole number. Therefore, when the figures in the tables are added together, there may be slight differences between the figures in the tables and those in this prospectus.

Forecasts and Forward- Looking Statements

The forward-looking statements contained in this Prospectus have been prepared based on specific and disclosed assumptions mentioned in the relevant sections. Operating conditions may differ from the assumptions used, and therefore there is no guarantee or representation regarding the accuracy or completeness of any of these expectations. The company confirms that the statements contained in this Prospectus have been made based on the necessary professional due diligence. Some information contained in this Prospectus represents forward-looking statements. These forward-looking statements are generally inferred through the use of certain words such as "intends/ plans" or "estimates" or "believes" or "expects" or "could" or "will" or "intends" or "should" or "expected" or "may" or "believes" or the negative forms of these vocabulary and other similar or comparable vocabulary in meaning.

These forecasts information reflect the current view of the company and its management regarding future events, but they are not a guarantee of future performance. There are many factors that could cause the actual results, performance, or achievements of the company to be materially different from any future results, performance, or achievements that may be expressly or implicitly expressed in those forward-looking statements. The most significant risks or factors that could cause such an impact have been reviewed in more detail in other sections of this Prospectus **(refer to Section (2) "Risk Factors").** Should one or more of these risks or uncertainties materialize, or should any of the underlying assumptions rely upon prove incorrect or inaccurate, actual results may differ materially from those described in this Prospectus as expectations, beliefs, estimates, or plans.

Subject to Article (29) of the Rules on the Offer of Securities and Continuing Obligations, the issuer must submit a supplementary prospectus to the CMA if the issuer becomes aware at any time after the date of publishing this Prospectus and before the completion of the offering of any of the following: (1) the occurrence of a significant change in material matters contained in the prospectus, (2) the emergence of any significant matters that should have been included in the prospectus. Except for these two cases, the issuer does not intend to update or amend any information contained in this Prospectus, whether as a result of new additional information or as a result of future events or otherwise relating to the company, the sector, or risk factors. As a result of these risks and other risks, and assumptions, the events and forward-looking circumstances described in this Prospectus may not occur in the manner expected by the company, or may not occur at all, and therefore potential investors must study all forward-looking statements in light of these interpretations, without placing undue reliance on forward-looking statements.

Company Directory

Board of Directors Members and Board Secretary

Table (1): Board of Directors Members

No.	Name	Position*	Nationality	Age	Membership Status	Date of Appointment	Date of Membership	Shares Owned***			
								Direct	Indirect	Total	Percentage
1	Waiel Saad Abdulaziz Al Rashid**	Chairman of the Board	Saudi	55	Independent	16/07/2024G	16/07/2024G	200	-	200	0.0018353%
2	Rasheed Sulaiman Alrasheed**	Vice Chairman of the Board	Saudi	52	Independent	16/07/2024G	16/07/2024G	5	-	5	0.0000459%
3	Yasser Suliman Alaqeel	Board Member	Saudi	39	Independent	16/07/2024G	16/07/2024G	10	-	10	0.0000918%
4	Meshari Ali Al Nashwan	Board Member	Saudi	40	Independent	16/07/2024G	16/07/2024G	20	-	20	0.0001835%
5	Vacant****	Board Member	-	-	-	-	-	-	-	-	-
6	Vacant****	Board Member	-	-	-	-	-	-	-	-	-
Board Secretary											
7	Omer Fadul Mohamed Taha	Board Secretary	Sudanese	55	-	16/07/2024G	16/07/2024G	-	-	-	-

Source: The Company

*On 14/11/1445H (corresponding to 22/05/2024G) the company's ordinary general assembly approved in its meeting held the election of the above-mentioned board of directors' members for the current term, which commenced on 16/07/2024G and ends on 15/07/2028G.

**On 10/01/1446H (corresponding to 16/07/2024G) the company announced the appointment of the Chairman of the Board of Directors Dr. Waiel Saad Abdulaziz Al Rashid, and the company also announced the appointment of Mr. Musalli Mahdi Muhammad Al Muammar as Vice Chairman of the Board of Directors starting from 16/07/2024G until the end of the current board term, and on 12/07/1447H (corresponding to 01/01/2026G) the Board of Directors approved the resignation of the board member Mr. Musalli Mahdi Muhammad Al Muammar, and on 12/07/1447H (corresponding to 01/01/2026G) Mr. Rasheed Sulaiman Alrasheed was appointed as Vice Chairman of the Board of Directors starting from 02/01/2026G until the end of the current board term.

***Means the shares owned by the board of directors' members directly or indirectly in the company through their ownership in companies that own shares in the company or the shares owned by the relatives of the board of directors' members whether directly or through their ownership in companies that own shares in the company.

****On 16/01/1447H (corresponding to 11/07/2025G) the Board of Directors approved the resignation of the board member Mr. Firas Ghassab Sulaiman Al-Harbi and this position is considered vacant, on 12/07/1447H (corresponding to 01/01/2026G) the Board of Directors approved the resignation of the board member Mr. Musalli Mahdi Muhammad Al Muammar and this position is considered vacant.

Company Address

Naseej International Trading Company

Industrial Area - Jeddah 22429
Kingdom of Saudi Arabia
Tel: +966 12 6222608
Fax: +966 12 6823930
Website: **www.al-sorayai.com**
Email: **otaha@Al-sorayai.com**

Company Representatives

First Authorized Company Representative

Waiel Saad Abdulaziz Al Rashid
(Chairman of the Board)
P.O. Box 91873 Riyadh 11643
Kingdom of Saudi Arabia
Tel: +966 12 6222608
Fax: +966 12 6373921
Website: **www.al-sorayai.com**
Email: **Walrashid@naseejco.com**

Second Authorized Company Representative

Monther Mohammed Abdullah Al Sorayai
(CEO)
Industrial Area - Jeddah 22429
Kingdom of Saudi Arabia
Tel: +966 12 6369900 Ext. 303
Fax: +966 12 6373921
Website: **www.al-sorayai.com**
Email: **monther@al-sorayai.com**

Stock Market

Saudi Stock Exchange

King Fahd Road – Al Olaya 6897
Unit No.: 15
Riyadh 12211-3388
Kingdom of Saudi Arabia
Tel: +966 92000 1919
Fax: +966 (11) 218 9133
Website: **www.saudiexchange.sa**
Email: **csc@saudiexchange.sa**

Advisors

Financial Advisor and Underwriter

Al Wasatah Al Maliah Company (Wasatah Capital)

Riyadh – Al Olaya Street, Al Muruj District
Building No. 7459, Ext. No. 2207
Postcode 12283
Kingdom of Saudi Arabia
Tel: +966 11 4944067
Fax: +966 11 4944205
Website: **www.wasatah.com.sa**
Email: **info@wasatah.com.sa**

Lead Manager

Musharaka Capital Company

Al Khobar, Prince Turki Bin Abdulaziz Road, Adeer Tower, 13th Floor
P.O. Box 712 Al Khobar 31952
Kingdom of Saudi Arabia
Tel: +966 13 8044644
Fax: +966 13 8818412
Website: **www.musharaka.sa**
Email: **info@musharaka.sa**

Legal Advisor

Khaligyoun Legal Advisors Company

M7 Tower – 8th Floor
Al Sahafa District – King Fahd Road
P.O. Box 6118 Riyadh 13321
Riyadh, Kingdom of Saudi Arabia
Tel: +966 (11) 269 9973
Website: **www.klafirm.com**
Email: **info@klafirm.com**

The company's auditor for the financial years ending December 31, 2022G, December 31, 2023G, and December 31, 2024G, and the nine-month period ending September 30, 2025G.

El-Sayed El-Ayouty & Co. Certified Public Accountants (MOORE)

58 Al Watan Al Arabi - Al Hamra
P.O. Box 780 Jeddah 21421
Kingdom of Saudi Arabia
Tel: +966 11 6693478
Fax: +966 11 6602432
Website: **www.elayouty-cpas.com**
Email: **jeddah@elayouty.com**

Disclaimer: All the above-named advisors and auditors have given their written consent for the publication of their names and logos and for their statements to be included in the format provided in this prospectus. None of them has withdrawn that consent as of the date of this prospectus. None of the advisors, auditors, their affiliates, shareholders, employees, or any of their relatives hold any shares or interest of any kind in the company or any of its affiliates as of the date of this prospectus.

Offering Summary

This offering summary aims to provide a brief overview of the information contained in this prospectus. Therefore, this summary does not contain all the information that may be of interest to shareholders and other institutional and individual investors, as the information in this summary is insufficient for making an investment decision. Accordingly, recipients of this prospectus should read it in its entirety before making any investment decision to subscribe to or trade in the preemptive rights shares. In particular, it is essential to consider the information contained in **section (2) "Risk Factors"** of this prospectus. The following is a summary of the offering:

Issuer name, description, and information about its establishment	Naseej International Trading Company ("Naseej" or the "Company") is a Saudi joint stock company, established as a limited liability company and registered in the Commercial Register in Jeddah under certificate No. (4030133919) dated 05/03/1422H (corresponding to 28/05/2001G) under the commercial name "Al-Sorayai Carpet Factory Company". On 11/11/1427H (corresponding to 02/12/2006G) "Abdullah & Nasser Abdulaziz Al-Sorayai General Partnership Company" and "Jeddah Industrial Yarn Factory Company Limited" were merged into Al-Sorayai Carpet Factory Company, and the merger process resulted in amending the commercial name of the company to become "Al-Sorayai Trading Industrial Group Company Limited" pursuant to the partners' resolution certified before the notary public on 17/01/1428H (corresponding to 05/02/2007G). On 19/10/1428H (corresponding to 31/10/2007G) the partners decided to convert the company from a limited liability company into a closed joint stock company while retaining the same commercial name without the word "Limited" to make the commercial name of the company "Al-Sorayai Trading Industrial Group Company" and the approval of His Excellency the Minister of Commerce and Investment for the conversion was issued pursuant to Ministerial Resolution No. (276/Q) dated 01/11/1428H (corresponding to 11/11/2007G) and the Ministerial Resolution announcing the incorporation of the company No. (325/Q) dated 21/11/1428H (corresponding to 31/12/2007G), and it was registered as a closed joint stock company while retaining the same number and date of the Commercial Register certificate (4030133919) issued from Jeddah. On 08/03/1431H (corresponding to 22/02/2010G) the company was converted from a Saudi (closed) joint stock company into a Saudi (public) joint stock company and its shares were listed on the Saudi Stock Exchange (Main Market). On 03/09/1441H (corresponding to 26/04/2020G) the extraordinary general assembly approved changing the company's name Al-Sorayai Trading Industrial Group Company to Naseej International Trading Company. The company's current capital is one hundred eight million nine hundred seventy-three thousand ten (108,973,010) Saudi Riyals divided into ten million eight hundred ninety-seven thousand three hundred one (10,897,301) ordinary shares ("Shares") with a nominal value of ten (10) Saudi Riyals per share, fully paid up (referred to individually as a "Current Share" and collectively as "Current Shares"). As of the date of publishing this Prospectus, there are no substantial shareholders in the company (who own 5% or more of the company's shares).
Issuer's Activities	The Company operates its activities pursuant to Commercial Register No. (4030133919) issued on 05/03/1422H (corresponding to 28/05/2001G) in the manufacture of mats, manufacture of carpets, including (prayer carpets and travel rugs), manufacture of moquette, spinning and preparation of synthetic yarns such as nylon and dacron, weaving of textiles from synthetic yarns such as nylon, weaving of textiles from natural yarns, including (linen and jute). The company's activities are defined as follows, according to Article (4) of the Bylaws:

Table (2): Company's Activities

Chapter	Category
Manufacturing industries	Preparation and spinning of textile fibers
Manufacturing industries	Textile weaving
Manufacturing industries	Carpet and rug making
Construction	Building construction
Construction	Construction of utility projects
Construction	Demolition
Construction	Other structural compositions
Construction	Building completion and finishing
Construction	Other specialized construction activities

<table>
<tr><td rowspan="15">Cont.
Issuer's Activities</td><td colspan="2"><table>
<tr><th>Chapter</th><th>Category</th></tr>
<tr><td>Wholesale and retail trade and repair of motor vehicles and motorcycles</td><td>Wholesale of textiles, clothing and footwear</td></tr>
<tr><td>Wholesale and retail trade and repair of motor vehicles and motorcycles</td><td>Wholesale of other household goods</td></tr>
<tr><td>Wholesale and retail trade and repair of motor vehicles and motorcycles</td><td>Wholesale of computers, computer peripherals, and software</td></tr>
<tr><td>Wholesale and retail trade and repair of motor vehicles and motorcycles</td><td>Wholesale of other machinery and equipment</td></tr>
<tr><td>Wholesale and retail trade and repair of motor vehicles and motorcycles</td><td>Wholesale of waste, scrap, and other products not elsewhere classified</td></tr>
<tr><td>Wholesale and retail trade and repair of motor vehicles and motorcycles</td><td>Non-specialized wholesale trade</td></tr>
<tr><td>Wholesale and retail trade and repair of motor vehicles and motorcycles</td><td>Retail sale of textiles in specialist stores</td></tr>
<tr><td>Wholesale and retail trade and repair of motor vehicles and motorcycles</td><td>Carpets, rugs, floor coverings, and wall coverings are sold at retail in specialized stores.</td></tr>
<tr><td>Wholesale and retail trade and repair of motor vehicles and motorcycles</td><td>Retail sale of household electrical appliances, furniture, lighting equipment and other household items in specialized stores</td></tr>
<tr><td>Wholesale and retail trade and repair of motor vehicles and motorcycles</td><td>Retail sale of books, newspapers, and stationery in specialized stores</td></tr>
<tr><td>Wholesale and retail trade and repair of motor vehicles and motorcycles</td><td>Retail sale of textiles, clothing and footwear in kiosks and markets</td></tr>
<tr><td>Transportation and storage</td><td>Land transport of goods</td></tr>
<tr><td>Transportation and storage</td><td>Storage</td></tr>
<tr><td>Real estate activities</td><td>Real estate activities in owned or leased properties</td></tr>
<tr><td>Real estate activities</td><td>Real estate activities based on fees or contracts</td></tr>
</table></td></tr>
<tr><td colspan="2">The company conducts its activities in accordance with applicable regulations and after obtaining the necessary licenses from the relevant authorities, if any.</td></tr>
<tr><td>Substantial Shareholders</td><td colspan="2">The company does not have any substantial shareholders (those who own 5% or more of the company's shares).</td></tr>
<tr><td>Public</td><td colspan="2">In the rules for offering securities and continuing obligations, it refers to persons not mentioned below.:
1. Affiliates of the issuer.
2. Substantial shareholders of the issuer.
3. Board members and senior executives of the issuer.
4. Board members and senior executives of the issuer's affiliates.
5. Board members and senior executives of the issuer's substantial shareholders.
6. Any relatives of the persons referred to in (1, 2, 3, 4, or 5) above.
7. Any company controlled by any of the persons referred to in (1, 2, 3, 4, 5, or 6) above. Or
8. Persons acting in concert with each other who collectively own (5%) or more of the class of shares to be listed.</td></tr>
<tr><td>Nature of the Offering</td><td colspan="2">Increasing capital through the issuance of preemptive rights shares.</td></tr>
<tr><td>The Purpose of the Proposed Rights Issue</td><td colspan="2">The company aims to increase its capital by offering preemptive rights shares to settle financial obligations and support its future growth strategy. Please refer to section (6) "Use of the Offering Proceeds and Future Projects".</td></tr>
<tr><td>Total Number of Shares of the Issuer Before the Offering</td><td colspan="2">Ten million eight hundred ninety-seven thousand three hundred one (10,897,301) fully paid-up ordinary shares.</td></tr>
</table>

Nominal Value of the Share	Ten (10) Saudi Riyals per share.
Issuer's Capital Before the Offering	One hundred and eight million, nine hundred and seventy-three thousand and ten (108,973,010) Saudi Riyals.
Total Number of New Shares Offered	Sixteen million three hundred and forty-five thousand nine hundred and fifty-one (16,345,951) fully paid-up ordinary shares.
Offering Price	Ten (10) Saudi Riyals per share.
Total Value of the Offering	One hundred and sixty-three million, four hundred and fifty-nine thousand, five hundred and ten (163,459,510) Saudi Riyals.
Adjusted Price	The company's share price in the capital market was adjusted to (**) Saudi Riyals per share before trading on the day following the Extraordinary General Assembly meeting regarding the capital increase. This represents a decrease in the share price by (**) Saudi Riyals per share.
Registered Shareholders	Shareholders who own shares at the end of trading on the day of the Extraordinary General Assembly meeting for the capital increase and who are registered in the company's register at the Depository Center at the end of trading on the second trading day following the Extraordinary General Assembly meeting for the capital increase.
New investors	General investors, both individuals and institutions – excluding registered shareholders – who purchased preemptive rights during the trading period.
Target Investor Categories	Registered shareholders and new investors.
Preemptive Rights	They are tradable securities that give their holder the right to subscribe to new shares after approving a capital increase, which is an acquired right for all registered shareholders. The right may be traded during the trading period. Each right gives its holder the right to subscribe for one share of the new shares at the offering price. The preemptive rights will be deposited in the registered shareholders' portfolios within two working days following the extraordinary general assembly for the capital increase. These rights will appear in the portfolios of registered shareholders under a new symbol for preemptive rights. Registered shareholders will be notified of the deposit of rights in their portfolios.
New Shares	Sixteen million three hundred and forty-five thousand nine hundred and fifty-one (16,345,951) ordinary shares, which will be issued as a result of the capital increase.
Eligibility Ratio	Each registered shareholder is granted (1.5) rights for each (1) one share he owns. This coefficient is the result of dividing the number of new shares by the current number of shares of the company.
Number of Issued Preemptive Rights	Sixteen million three hundred and forty-five thousand nine hundred and fifty-one (16,345,951) rights.
Number of Shares Offered Underwritten	Sixteen million three hundred and forty-five thousand nine hundred and fifty-one (16,345,951) ordinary shares.
Total Value of the Underwritten Offering	One hundred and sixty-three million, four hundred and fifty-nine thousand, five hundred and ten (163,459,510) Saudi Riyals.
Number of Shares Issued After the Capital Increase	Twenty-seven million, two hundred and forty-three thousand, two hundred and fifty-two (27,243,252) ordinary shares.
Issuer's Capital After the Capital Increase	Two hundred and seventy-two million, four hundred and thirty-two thousand, five hundred and twenty (272,432,520) Saudi Riyals.
Percentage of Shares Offered from the Issuer's Capital	(150%)

<table>
<tr><td>Total Expected Proceeds and Analysis and Description of their Proposed Use</td><td>The total proceeds from the subscription to preemptive rights shares amount to (163,459,510) Saudi Riyals. Net proceeds from the offering are expected to reach approximately (151,909,510) Saudi Riyals after deducting offering costs of approximately (11,550,000) Saudi Riyals.
The following table shows the expected use of the proceeds from the offering:
Table (3): Expected Use of Proceeds from the Offering
<table><tr><th>Item</th><th>Proposed Use Value (Saudi Riyals)</th><th>Percentage</th></tr><tr><td>Payment and settlement of bank loans</td><td>83,724,339</td><td>51.2%</td></tr><tr><td>Payment of suppliers and outstanding expenses</td><td>18,185,171</td><td>11.1%</td></tr><tr><td>Development of workers' accommodation building</td><td>15,000,000</td><td>9.2%</td></tr><tr><td>Investment in the real estate sector</td><td>35,000,000</td><td>21.4%</td></tr><tr><td>Offering costs</td><td>11,550,000</td><td>7.1%</td></tr><tr><td>Total proceeds from the offering</td><td>163,459,510</td><td>100%</td></tr></table>Source: The Company
For further details, please refer to section (6) "Use of the Offering Proceeds and Future Projects" of this prospectus.</td></tr>
<tr><td>Offering Costs</td><td>The offering costs are expected to be approximately eleven million five hundred and fifty thousand (11,550,000) Saudi Riyals, including the costs of the financial advisor, the underwriter, the legal advisor, the chartered accountant, marketing, printing and distribution expenses and other expenses related to the offering. Note that this amount is an estimate (please refer to section (6) “Use of the Offering Proceeds and Future Projects”).</td></tr>
<tr><td>Eligibility Date</td><td>Shareholders who own shares at the end of trading on the day of the Extraordinary General Assembly meeting for the capital increase and who are registered in the company’s shareholder register at the end of trading on the second trading day following the Extraordinary General Assembly meeting for the capital increase, on the date of **/**/****H (corresponding to **/**/****G).</td></tr>
<tr><td>Offering Period</td><td>The trading period begins three (3) working days after the Extraordinary General Assembly approves the capital increase, on the date of ** **/**/****H (corresponding to **/**/****G) and continues until the end of the date of **/**/****H (corresponding to **/**/****G). During this period, all holders of preemptive rights - whether they are registered investors or new investors - may trade preemptive rights.
The subscription period begins three (3) working days after the Extraordinary General Assembly approves the capital increase, on the date of **/**/****H (corresponding to **/**/****G) and continues until the end of the date of **/**/****H (corresponding to **/**/****G). During this period, all holders of preemptive rights - whether they are registered investors or new investors - may exercise their right to subscribe to the new shares.
It should be noted that the trading and subscription periods will commence on the same day, three (3) working days after the Extraordinary General Assembly approves the capital increase. The trading period will continue until the end of the sixth day, while the subscription period will continue until the end of the ninth day. Trading hours for preemptive rights will be from (10:00) AM to (3:00) PM, and subscription hours will be from (10:00) AM to (2:00) PM.</td></tr>
<tr><td>Rump Shares</td><td>The remaining shares that were not subscribed to during the subscription period.</td></tr>
<tr><td>Rump Offering</td><td>If any shares remain unsubscribed after the subscription period ends (Rump Shares), these shares will be offered to a number of institutional investors. These institutions will submit their bids to purchase the Rump Shares, and these bids will be accepted from 10:00 AM on **/**/****H (corresponding to **/**/****G) until 5:00 PM on **/**/****H (corresponding to **/**/****G) (Rump Offering Period). The rump shares will be allocated to the institutions with the highest bids, then to the next highest bids, and so on (provided that the bid is not less than the offering price). Shares will be allocated proportionally among institutions submitting the same bid. Fractional shares will be added to the rump shares and treated similarly.</td></tr>
<tr><td>Payment of Compensation Amounts (If Applicable)</td><td>Cash compensation payments will be made to eligible individuals who did not exercise their right to subscribe, in whole or in part, to those entitled to fractional shares, without any deductions, no later than **/**/****H (corresponding to **/**/****G). The cash compensation amounts represent the excess of the offering price from the net proceeds of the sale of rump shares and fractional shares.</td></tr>
</table>

Listing and Trading Preemptive Rights	Preemptive rights are listed on Tadawul and traded during the preemptive rights trading period. Preemptive rights have a separate and independent symbol from the company's existing share symbol on Tadawul screen. Shareholders who have been registered during the trading period have several options, including selling all or part of their rights on the market, purchasing additional rights through the market, or taking no action regarding their preemptive rights, whether by selling or purchasing additional rights. New investors during the trading period will have the right to purchase rights through the market, sell those rights or part of them, or take no action regarding the rights purchased during the trading period. The "Tadawul" system will cancel the company's preemptive rights symbol on the trading screen after the preemptive rights trading period ends, and therefore preemptive rights trading will stop when that period ends.
Subscription Method	Subscription applications are submitted electronically through the websites and platforms of electronic brokers that provide these services to subscribers, or through any other means provided by the brokers.
Exercising Preemptive Rights Subscription	Eligible individuals may exercise their right to subscribe to preemptive rights shares electronically through brokers' websites and platforms that offer such subscription services, or through any other means provided by brokers. Eligible individuals may also exercise their preemptive rights as follows: Shareholders registered during the subscription period are entitled to exercise the rights granted to them on the entitlement date and any additional rights they purchased during the trading period (immediately after the settlement of the rights purchase transaction, two business days) by subscribing to the new shares. They also have the right not to take any action regarding the rights they hold. New investors have the right to exercise the rights they purchased during the subscription period, immediately after the settlement of the rights purchase (two business days), by subscribing to the new shares. They also have the right to take no action regarding their existing rights. If none of the registered shareholders or new investors exercise their right to subscribe to the new shares during the subscription period, the shares related to those rights will be offered in the Rump Offering Period.
Indicative Value of the Right	The indicative value of the right is the difference between the market value of the company's share during the trading period and the offering price. Tadawul will calculate and publish the indicative value of the right during the trading period on its website, and market information service providers will also publish this information so that investors can see the indicative value of the right when entering orders.
Right Trading Price	It is the price at which the right is traded, noting that it is determined by the supply and demand mechanism, and therefore it may differ from the indicative value of the right.
Allocation Date	The shares will be allocated no later than ** **/**/****H (corresponding to **/**/****G).
Allocation Method and Refund of Surplus	Shares will be allocated to each investor based on the number of rights they have properly and fully exercised. Fractional shares will be aggregated and added to the rump shares, which will then be offered to investment institutions during the rump offering period. The company will receive the full offering price from the sale of the rump shares. Any remaining proceeds from the rump offering, excluding any fees or deductions (i.e., any amount exceeding the offering price), will be distributed to eligible shareholders who did not subscribe fully or partially to the new shares, as well as to those entitled to fractional shares. It should be noted that investors who did not subscribe or sell their rights, and those entitled to fractional shares, may not receive any compensation if the sale occurs during the rump offering period at the offering price **(please refer to Section 12, "Information related to the shares and the terms and conditions of the offering").** Any oversubscription will be refunded (if any) to subscribers without any commissions or deductions by the company.
Date of Refund of Surplus Subscription	Any surplus subscription amount (if any) will be refunded without any commissions or deductions from the company no later than **/**/****H (corresponding to **/**/****G).
Trading New Shares	The trading of new shares on "Tadawul" shall commence after completion of all procedures related to registration, allocation, and listing of the new shares. The period between the end of the subscription to preemptive rights and the deposit of the new shares into the shareholders' portfolios is nine (9) business days.
Entitlement to Dividends	New shareholders will be entitled to any dividends that the company declares it will distribute after the date of issue.

Voting Rights	All shares of the company are of a single class, and no share grants its holder preferential rights. New shares will be fully paid up and of equal value to existing shares. Each share entitles its holder to one vote, and every shareholder has the right to attend and vote at the company's general meeting (whether ordinary or extraordinary).
Restrictions Imposed on Shares	There are no restrictions on trading the company's shares, except for the regulatory restrictions generally imposed on listed shares.
Restrictions Imposed on New Shares as a Result of the Capital Increase	There are no restrictions imposed on shareholders in general and on founding shareholders after the subscription process resulting from the capital increase.
Restrictions on Trading the Rights	There are no restrictions imposed on trading rights.
Shares Previously Listed by the Issuer	The company's shares were listed on the Saudi Stock Exchange on 08/03/1431H (corresponding to 22/02/2010G) with a capital of three hundred million (300,000,000) Saudi Riyals divided into thirty million (30,000,000) ordinary shares with a nominal value of ten (10) Saudi Riyals per share, and on 20/05/1434H (corresponding to 01/04/2013G) the company increased its capital from three hundred million (300,000,000) Saudi Riyals to three hundred seventy-five million (375,000,000) Saudi Riyals and consequently increasing the number of the company's shares from thirty million (30,000,000) ordinary shares to thirty-seven million five hundred thousand (37,500,000) ordinary shares through capitalization of retained earnings by issuing (1) one share for every four (4) shares owned by registered shareholders in the company's registers at the end of trading on the second day following the extraordinary general assembly meeting. On 10/04/1439H (corresponding to 28/12/2017G) the company reduced its capital from three hundred seventy-five million (375,000,000) Saudi Riyals to two hundred twenty-five million (225,000,000) Saudi Riyals, and consequently reducing the number of the company's shares from thirty-seven million five hundred thousand (37,500,000) ordinary shares to twenty-two million five hundred thousand (22,500,000) ordinary shares by canceling fifteen million (15,000,000) ordinary shares and with a reduction percentage of (40%) of the company's capital and at a reduction rate of two (2) shares for every five (5) shares. On 27/12/1440H (corresponding to 28/08/2019G) the company's capital was reduced from two hundred twenty-five million (225,000,000) Saudi Riyals to sixty-five million five hundred thousand (65,500,000) Saudi Riyals, and consequently reducing the number of the company's shares from twenty-two million five hundred thousand (22,500,000) ordinary shares to six million five hundred fifty thousand (6,550,000) ordinary shares by canceling fifteen million nine hundred fifty thousand (15,950,000) ordinary shares, and with a reduction percentage of (70.89%) of the company's capital and at a reduction rate of (1) share for every (1.41) share. On 27/05/1441H (corresponding to 22/01/2020G) the company increased its capital from sixty-five million five hundred thousand (65,500,000) Saudi Riyals to one hundred seventy-eight million one hundred sixty thousand (178,160,000) Saudi Riyals and consequently increasing the number of the company's shares from six million five hundred fifty thousand (6,550,000) ordinary shares to seventeen million eight hundred sixteen thousand (17,816,000) ordinary shares through the issuance of Preemptive Rights Shares with a value of one hundred twelve million six hundred sixty thousand (112,660,000) Saudi Riyals and a number of eleven million two hundred sixty-six thousand (11,266,000) ordinary shares and at an issuance rate of (1.72) rights for every (1) share. On 05/05/1442H (corresponding to 20/12/2020G) the company reduced its capital from one hundred seventy-eight million one hundred sixty thousand (178,160,000) Saudi Riyals to sixty-one million six hundred thirty-two thousand ten (61,632,010) Saudi Riyals, and consequently reducing the number of the company's shares from seventeen million eight hundred sixteen thousand (17,816,000) ordinary shares to six million one hundred sixty-three thousand two hundred one (6,163,201) ordinary shares by canceling eleven million six hundred fifty-two thousand seven hundred ninety-nine (11,652,799) ordinary shares, and with a capital reduction percentage of approximately (65.4%), and at a reduction rate of (1) share for every (1.529) shares. On 29/03/1443H (corresponding to 04/11/2021G) the company increased its capital from sixty-one million six hundred thirty-two thousand ten (61,632,010) Saudi Riyals to two hundred eleven million six hundred thirty-two thousand ten (211,632,010) Saudi Riyals and consequently increasing the number of the company's shares from six million one hundred sixty-three thousand two hundred one (6,163,201) ordinary shares to twenty-one million one hundred sixty-three thousand two hundred one (21,163,201) ordinary shares through the issuance of Preemptive Rights Shares with a value of one hundred fifty million (150,000,000) Saudi Riyals and a number of fifteen million (15,000,000) ordinary shares and at an issuance rate of (2.434) rights for every (1) share. On 19/12/1443H (corresponding to 18/07/2022G) the company reduced its capital from two hundred eleven million six hundred thirty-two thousand ten (211,632,010) Saudi Riyals to one hundred eight million nine hundred seventy-three thousand ten (108,973,010) Saudi Riyals, and consequently reducing the number of the company's shares from twenty-one million one hundred sixty-three thousand two hundred one (21,163,201) shares to ten million eight hundred ninety-seven thousand three hundred one (10,897,301) shares by canceling ten million two hundred sixty-five thousand nine hundred (10,265,900) shares, and with a capital reduction percentage of approximately (48.51%), and at a reduction rate of (1) share for every (2.06) shares.

Risk Factors	Investing in preemptive rights shares involves certain risks, which can be categorized as follows: (1) Risks Related to the Issuer. (2) Risks related to the market and the sector in which the issuer operates. (3) Risks Related to the Securities Offered. These risks have been reviewed in **Section (2) "Risk Factors"** of this prospectus, which should be carefully studied before making any investment decision in new rights or shares.
Terms and Conditions for Subscribing to Preemptive Rights Shares	Eligible persons wishing to subscribe to the new shares must meet the relevant subscription requirements. For information regarding the shares and the terms and conditions of the offering, **please refer to Section (12) "Information related to the shares and the terms and conditions of the offering".**
Total proceeds previously obtained in the last Issuance of preemptive rights shares, their analysis and description	The total proceeds obtained by the company in the last issuance of Preemptive Rights Shares amounted to one hundred fifty million (150,000,000) Saudi Riyals, as the extraordinary general assembly approved on 29/03/1443H (corresponding to 04/11/2021G) the increase of the company's capital from sixty-one million six hundred thirty-two thousand ten (61,632,010) Saudi Riyals to two hundred eleven million six hundred thirty-two thousand ten (211,632,010) Saudi Riyals through the issuance of fifteen million (15,000,000) new Preemptive Rights Shares with a nominal value of ten (10) Saudi Riyals per share. And with a total value amounting to one hundred fifty million (150,000,000) Saudi Riyals, with the aim of raising financial solvency, strategic expansion, and improving financial performance, borrowing rates, and the costs incurred therefrom. The following table shows the changes in the uses of the offering following the last preemptive rights issue:

Description Saudi Riyals	Planned use	Actual use	The difference between actual and planned use	Percentage of actual use of the planned use	Deviation percentage
Working Capital*	45,800,000	60,420,728	14,620,728	131.9%	31.9%
Payment of long-term credit facilities to commercial banks	86,700,000	82,084,407	(4,615,593)	94.7%	(5.3%)
Expansion of production lines at the yarn factory	8,000,000	-	(8,000,000)	-	(100%)
Development of the carpet and rug collection station	2,000,000	-	(2,000,000)	-	(100%)
Offering costs	7,500,000	7,494,865	(5,135)	99.9%	(0.1%)
Total	**150,000,000**	**150,000,000**	-		

Source: The Company

According to paragraph (F) of Article Fifty-Seven (57) of the Rules on the Offer of Securities and Continuing Obligations issued by the Board of the Capital Market Authority pursuant to Resolution No. 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G) based on the Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424H and amended by the Capital Market Authority Board Resolution No. (3-6-2026) dated 30/07/1447H (corresponding to 19/01/2026G) and any amendments thereto (the issuer must disclose to the public when there is a difference of 5% or more between the actual use of the proceeds of the issuance of Preemptive Rights Shares or the issuance of shares with the suspension of preemptive rights against what was disclosed in the relevant Prospectus immediately upon becoming aware of that).

On 10/10/1443H (corresponding to 11/05/2022G) the ordinary general assembly approved changing the use of the offering proceeds from what was disclosed in the Prospectus and adopting the use mentioned in the table above, by reallocating the unused amounts referred to in the table above to be as follows:

* The company directed an amount of 14,620,728 Saudi Riyals from the items "Payment of long-term credit facilities to commercial banks", "Expansion of production lines at the yarn factory", "Development of the carpet and rug collection station", and "Offering costs", to the item "Working capital", in order to purchase raw materials and finished products, which are as follows:

- An amount of 4,965,475 Saudi Riyals to purchase raw materials for use in the manufacture of carpet and rug products.
- An amount of 7,985,151 Saudi Riyals is used in the manufacture of yarns used in the manufacture of carpets and rugs.
- An amount of 1,670,102 Saudi Riyals for the purchase of finished products for the commercial sector such as vinyl, artificial grass and imported carpets.

This step came as a result of the company's need to allocate additional funds to secure raw materials in order to ensure the continuity of production and prevent its interruption, in addition to hedging against fluctuations in material prices.

Substantial Changes Made to the Information Disclosed in the Latest Prospectus	The following is a summary of the most important information that has changed since the Authority approved the latest rights issue prospectus, which was issued on 30/04/1445H (corresponding to 14/11/2023G): ◆ **The Board of Directors and its subcommittees:** A Board of Directors was elected for the current term, which began on 10/01/1446H (corresponding to 16/07/2024G) and ends on 22/02/1450H (corresponding to 15/07/2028G). The subcommittees of the Board were also reconstituted accordingly. ◆ **Capital increase:** The (Extraordinary) General Assembly of Shareholders held on 25/06/1445H (corresponding to 07/01/2024G) did not approve the Board of Directors' recommendation to increase the company's capital by an amount of (163,459,510) Saudi Riyals by offering preemptive rights shares. ◆ **Bylaws:** The company's Bylaws have been amended to comply with the Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443H (corresponding to 30/06/2022G), and the articles of the Bylaws have been rearranged and numbered to comply with the proposed amendments, in accordance with the electronic version No. (1) of the Bylaws registered with the Ministry of Commerce under application number (674793) based on the approval of the Extraordinary General Assembly issued on 25/08/1445H (corresponding to 06/03/2024G). ◆ **Accumulated losses:** Accumulated losses increased from 0% to 64% of capital.

Disclaimer: The "Important Notice" section on page "A" and **section "2" (Risk Factors)** of this prospectus should be studied very carefully before making any investment decision in the new rights or shares.

Important Dates and Subscription Procedures

Table (4): Important Dates and Subscription Procedures

Timetable	Date
The Extraordinary General Assembly meeting, which includes approval of the capital increase and determination of the eligibility date and the eligible shareholders, noting that the eligible shareholders are the shareholders who own shares at the end of trading on the day of the Extraordinary General Assembly meeting for the capital increase and who are registered in the company's shareholder register at the Depository Center at the end of trading on the second trading day following the Extraordinary General Assembly meeting for the capital increase.	**/**/****H (corresponding to **/**/****G)
Trading period*	The trading period shall commence after (3) three business days from the approval of the extraordinary general assembly including the approval of the capital increase, on **/**/****H (corresponding to **/**/****G) and shall continue until the end of date **/**/****H (corresponding to **/**/****G) and during this period all preemptive rights holders - whether they are registered investors or new investors - may trade preemptive rights. Note that the trading hours for preemptive rights start from ten (10:00) a.m. until three (3:00) p.m.
Subscription period	The subscription period shall commence after (3) three business days from the approval of the extraordinary general assembly including the approval of the capital increase, on **/**/****H (corresponding to **/**/****G) and shall continue until the end of **/**/****H (corresponding to **/**/****G) and during this period all preemptive rights holders - whether they are registered investors or new investors - may exercise their right to subscribe to the new shares. Note that the subscription hours for preemptive rights start from ten (10:00) a.m. until two (2:00) p.m.
Subscription period end date	The subscription period ends and the receipt of subscription applications ends at the end of day **/**/****H (corresponding to **/**/****G)
Rump offering period	It begins at 10:00 a.m. on **/**/****H (corresponding to **/**/****G) and continues until 5:00 p.m. on **/**/****H (corresponding to **/**/****G).
Final Allocation Notice**	**/**/****H (corresponding to **/**/****G)
Payment of compensation amounts (if any) to eligible persons who did not participate in the subscription in whole or in part and to those entitled to fractional shares	**/**/****H (corresponding to **/**/****G)
Expected date for the start of trading in the new shares	After all the necessary procedures have been completed, the date for the start of trading in the new shares will be announced on the trading website.

Note: All dates mentioned in the table above are approximate, and the actual dates will be announced on the Tadawul website **(www.saudiexchange.sa).**

*The preemptive rights trading period begins three (3) business days after the company's extraordinary general assembly approves the capital increase.

**The period between the end of the subscription to preemptive rights and the deposit of shares into shareholders' portfolios will be nine (9) working days.

Important Announcement Dates

Table (5): Important Announcement Dates

Announcement	Announcer	Announcement Date
Announcement of the invitation to the Extraordinary General Assembly meeting regarding the increase of capital	Company	**/**/****H (corresponding to **/**/****G)
Announcement of the results of the Extraordinary General Meeting regarding the increase of capital	Company	**/**/****H (corresponding to **/**/****G)
Announcement of adjustment to the company's share price, deposit of rights, and indicative value of the right.	Tadawul	**/**/****H (corresponding to **/**/****G)
Announcement of the addition of Preemptive Rights for the Company	Edaa	**/**/****H (corresponding to **/**/****G)
Announcement regarding the trading period for preemptive rights and the subscription period for new shares.	Company	**/**/****H (corresponding to **/**/****G)
Announcement regarding the start of the preemptive rights trading period and the subscription period for new shares.	Tadawul	**/**/****H (corresponding to **/**/****G)
Reminder announcement regarding the start of the rights trading period and the subscription period for new shares.	Company	**/**/****H (corresponding to **/**/****G)
Reminder announcement regarding the last day for trading preemptive rights and an emphasis on the importance of those who do not wish to subscribe to sell their rights; the last day for subscribing to the new shares.	Company	**/**/****H (corresponding to **/**/****G)
Announcing: ◆ Subscription Results ◆ Details of the sale of unsubscribed shares (if any) and the start of the Rump Offering Period	Company	**/**/****H (corresponding to **/**/****G)
Announcement of the Rump Offering results and notification of final allocation	Company	**/**/****H (corresponding to **/**/****G)
Announcement of deposit of new shares into investors' portfolios	Edaa	**/**/****H (corresponding to **/**/****G)
Announcement of the distribution of compensation amounts (if any)	Company	**/**/****H (corresponding to **/**/****G)

Note: All dates mentioned in the above table are approximate. The actual dates will be announced on the Tadawul website **(www.saudiexchange.sa)** in coordination with the Securities Depository Center Company (Edaa) to determine the share deposit date.

*The time period between the end of the subscription to preemptive rights and the deposit of shares into shareholders' portfolios will be nine (9) working days.

Based on subparagraph (E) of Article (31) of the Rules for Offering Securities and Continuing Obligations, it should be noted that if an announcement relating to the offering is published in a local newspaper after the publication of the prospectus, the announcement must include the following:

1. Issuer's name and commercial registration number.
2. The securities, their value, type, and category included in the application for securities registration and offering.
3. Addresses and locations where the public can obtain the prospectus.
4. Date of publication of the prospectus
5. A statement that the announcement is for informational purposes only and does not constitute an invitation or offer to own, purchase, or subscribe to securities.
6. Name of the lead manager, underwriters, financial advisor, and legal advisor
7. Disclaimer in the following form: "The Capital Market Authority and Saudi Stock Exchange (Tadawul) do not assume any responsibility for the contents of this announcement, nor do they give any representations as to its accuracy or completeness, and they expressly disclaim any liability whatsoever for any loss resulting from what is stated in this announcement or from reliance on any part thereof."

How to apply for subscription

Subscription to the Preemptive Rights shares is restricted to eligible persons, whether they are registered shareholders or new investors. In the event that the eligible persons do not exercise their Preemptive Rights, any remaining shares not subscribed to by them will be offered to institutional investors during the Rump Offering Period. Eligible persons wishing to subscribe to the new shares must submit subscription applications through the means and services provided by the broker to investors, provided that the eligible person has an investment account with one of the brokers providing these services.

The data pertaining to the eligible person must be up-to-date, and no changes have been made to the data or information pertaining to the eligible person (by deleting or adding a family member) since their subscription in a recent offering, unless these changes have been communicated to the brokers and approved by them.

Subscription applications shall be submitted through the investment portfolio on the trading platforms through which buy and sell orders are entered, in addition to the possibility of subscribing through any other means provided by the broker and the shares custodian to investors. The Company reserves the right to reject any application to subscribe to the new shares, in whole or in part, if it fails to meet any of the subscription terms or requirements. A subscription application may not be amended or withdrawn after its submission. Once submitted, the subscription application constitutes a binding contract between the Company and the eligible shareholder **(Please refer to Section (12) "Information related to the shares and the terms and conditions of the offering").**

Questions and Answers About Preemptive Rights

Questions and Answers About Preemptive Rights

- **What are Preemptive Rights?**

  These are tradable securities that grant their holder the right to subscribe to the new shares offered upon the approval of the capital increase. This is an acquired right for all shareholders owning shares on the day of the Extraordinary General Assembly meeting related to the capital increase, and who are registered in the Company's shareholders register at the Depository Center at the end of the second trading day following the date of the Extraordinary General Assembly meeting. Each right entitles its holder to subscribe to one share at the offering price.

- **To whom are Preemptive Rights granted?**

  To all shareholders registered in the company's shareholder register at the end of trading on the second trading day following the date of the Extraordinary General Assembly meeting.

- **Who is a registered shareholder?**

  It is any shareholder that appears in the company's shareholder register at the end of the second trading day after the extraordinary general meeting for the capital increase.

- **When are Preemptive Rights deposited?**

  Following the Extraordinary General Assembly's meeting and its approval to increase the capital through a preemptive rights shares offering, the preemptive rights will be deposited as securities in the shareholders' portfolios in the Company's shareholders register at the Depository Center at the end of the second trading day after the Extraordinary General Assembly meeting. The shares will appear in their portfolios under a new symbol specific to the preemptive rights, and trading or subscribing to these rights will only be permitted at the beginning of the trading and subscription periods.

- **How is the investor notified of Preemptive Rights when the Rights are deposited into the portfolio?**

  Notification is made through an announcement on the trading website, as well as through the (Tadawulaty) service provided by the Securities Depository Center Company and through SMS messages sent through brokerage firms.

- **How many Preemptive Rights will a registered shareholder receive?**

  The number depends on the percentage of capital owned by each shareholder according to the company's shareholder register at the Depository Center at the end of the second trading day after the Extraordinary General Assembly meeting.

- **What is the Eligibility Ratio?**

  This is the ratio that allows registered shareholders to determine the number of preemptive rights they are entitled to for the shares they own at the end of the second trading day following the Extraordinary General Meeting. This ratio is calculated by dividing the number of new shares by the company's existing shareholdings. Therefore, the preemptive ratio is (1.5) rights for every one (1) share owned by the registered shareholder on the eligibility date. Accordingly, if a registered shareholder owns one thousand (1,000) shares on the eligibility date, they will be allocated one thousand five hundred (1,500) rights for their shareholding.

- **Will the name and trading symbol of these rights differ from the name and symbol of the company's shares?**

  Yes, the acquired right will be added to investors' portfolios under the name of the original share, with the addition of the word "preemptive rights" and a new symbol for these rights.

- **What is the value of the right at the beginning of its trading?**

  The opening price of the right will be the difference between the closing price of the company's share on the day before the right is listed and the offering price (the indicative value of the right). For example, if the closing price of the company's share on the previous day was fifteen (15) Saudi Riyals, and the offering price was ten (10) Saudi Riyals, then the opening price of the right will be five (5) Saudi Riyals.

- **Can registered shareholders subscribe to additional shares?**

  Yes, registered shareholders can subscribe to additional shares by purchasing new rights through the market during the trading period.

- **Is it possible for a shareholder to lose his right to subscribe even if he has the right to attend the extraordinary general meeting and vote on increasing capital by offering preemptive rights shares?**

  Yes, a shareholder loses his right to subscribe if he sells his shares on the day of the Extraordinary General Meeting or one working day before it.

- **How does the subscription process work?**

  Subscription requests are submitted through the investment portfolio on trading platforms through which buy and sell orders are entered, in addition to the possibility of subscribing through any other means provided by the broker to investors and the share custodian.

- **Is it possible to subscribe more than once and through more than one broker?**

  Yes, it is possible, but it must be taken into account that the number of shares subscribed for should not exceed the number of rights owned at the end of the rights trading period, as any increase in the number of shares subscribed for beyond the number of rights owned at the end of the rights trading period will result in the cancellation of the subscription request.

- **Can an eligible person subscribe for more shares than the rights they own?**

  Eligible person cannot subscribe to more shares than the rights he owns.

- **If the company's shares are owned through more than one investment portfolio, in which portfolio are the preemptive rights deposited?**

  Preemptive rights will be deposited into the same portfolio in which the company's shares associated with the rights are deposited. For example, if a shareholder owns one thousand (1,000) shares in the company as follows: eight hundred (800) shares in portfolio (A) and two hundred (200) shares in portfolio (B), the total rights that will be deposited is one thousand five hundred (1,500) rights on the assumption that for each share there are (1.5) rights. Accordingly, one thousand two hundred (1,200) rights will be deposited into portfolio (A) and three hundred (300) rights into portfolio (B).

- **In the case of subscribing through more than one portfolio, where are the new shares deposited after allocation?**

  In the case of subscribing through more than one portfolio, the new shares after allocation shall be deposited into the investment portfolio mentioned in the first subscription application.

- **Are holders of share certificates entitled to subscribe and trade?**

  Yes, holders of share certificates are entitled to subscribe, but they will not be able to trade until the certificates are deposited into electronic portfolio by the receiving entities or the Securities Depository Center Company ("Edaa Center"), and the necessary documents are brought before the end of the subscription period.

- **Can someone who has purchased additional rights trade them again?**

  Yes, they can sell them and buy other rights during the trading period only.

- **When can a shareholder subscribe to the preemptive rights that he purchased during the rights trading period?**

  After the settlement of the rights purchase (which is two business days), the subscription to preemptive rights will take place during the subscription period.

- **Can the holder of preemptive rights sell or assign the right after the trading period has expired?**

  No, that's not possible. After the trading period ends, the rights holder can only exercise their right to subscribe to the preemptive rights shares or not. If the right is not exercised, the investor may incur a loss or a decrease in the value of their investment portfolio.

- **What happens to preemptive rights that are not sold or exercised during the trading period and subscription phase?**

  In the event that the new shares are not fully subscribed during the subscription period, the remaining new shares shall be offered for subscription organized by the lead manager, and the value of compensation (if any) for the rights holder shall be calculated after deducting the subscription price. It is noted that the investor may not receive any consideration if the sale is made during the Rump Offering period at the offering price.

- **What happens in the case of subscribing to new shares and then selling the rights?**

  If a registered shareholder subscribes and then sells preemptive rights, and the number of preemptive rights purchased does not equal the number of rights subscribed for before the end of the trading period, the subscription request will be rejected entirely if part of it is sold, and the rejected subscription amount will be reported and refunded through the shareholder's broker.

- **Will any additional fees be added to preemptive rights trading transactions?**

  The same commissions will be applied to buying and selling transactions as with stocks, but without a minimum commission amount, provided that the maximum does not exceed fifteen and a half basis points (0.155%) of the total transaction value.

- **Who has the right to attend the extraordinary general meeting and vote on increasing the company's capital by offering preemptive rights shares?**

  A shareholder registered in the company's shareholder register at the Depository Center after the end of the trading day of the Extraordinary General Assembly is entitled to attend the Extraordinary General Assembly and vote on increasing the company's capital by offering preemptive rights shares.

- **When is the share price adjusted as a result of a company's capital increase through the issuance of preemptive rights shares?**

  The share price is adjusted by the market before the start of trading on the day following the Extraordinary General Meeting.

- **If an investor buys securities on the day of the general assembly meeting, is he entitled to preemptive rights resulting from the increase in the issuer's capital?**

  Yes, the investor will be registered in the company's shareholder register two business days after the share purchase date (i.e., by the end of trading on the second trading day following the Extraordinary General Meeting). Preemptive rights will be granted to all shareholders registered in the company's shareholder register by the end of trading on the second trading day following the Extraordinary General Meeting. However, the investor will not be entitled to attend or vote at the Extraordinary General Meeting related to the capital increase.

- **If an investor has more than one portfolio with more than one brokerage firm, how will his rights be calculated?**

  The investor's share will be distributed among the portfolios owned by the investor, according to the percentage of ownership in each portfolio. If there are fractions, those fractions will be aggregated, and if they complete one or more whole numbers, the whole number will be added to the portfolio in which the investor owns the largest amount of rights.

- **What are the trading and subscription periods?**

  Trading and subscription to rights will begin simultaneously three (3) working days after the Extraordinary General Assembly's approval of the capital increase, until trading ends on the sixth day, while subscription will continue until the ninth day, as stated in this prospectus and the company's announcements.

- **Is it possible to subscribe during the weekend?**

  No, that's not possible.

- **Can ordinary investors who are not registered shareholders subscribe to preemptive rights shares?**

  Yes, after the purchase of preemptive rights is completed during the trading period.

- **Additional Assistance:**

  If there is any questions, please contact the company at **otaha@Al-sorayai.com** . For legal reasons, the company will only be able to provide the information contained in this prospectus and will not be able to provide advice on the substantive basis for issuing rights or even provide financial, tax, legal or investment advice.

For more information on the terms and conditions of the subscription, please refer to section (12) " Information related to the shares and the terms and conditions of the offering" and the rest of the information contained in this prospectus.

Summary of Basic Information

This summary provides a brief overview of the key information contained in this prospectus. As a summary, it does not include all information that may be of interest to shareholders and other institutional and individual investors. Recipients of this prospectus should read it in its entirety before making an investment decision regarding the new rights or shares.

About the Company

Naseej International Trading Company ("Naseej" or the "Company") is a Saudi joint stock company, established as a limited liability company and registered in the Commercial Register in Jeddah under certificate No. (4030133919) dated 05/03/1422H (corresponding to 28/05/2001G) under the commercial name "Al-Sorayai Carpet Factory Company". On 11/11/1427H (corresponding to 02/12/2006G) "Abdullah & Nasser Abdulaziz Al-Sorayai General Partnership Company" and "Jeddah Industrial Yarn Factory Company Limited" were merged into Al Sorayai Carpet Factory Company, and the merger process resulted in amending the commercial name of the company to become "Al-Sorayai Trading Industrial Group Company Limited" pursuant to the partners' resolution certified before the notary public on 17/01/1428H (corresponding to 05/02/2007G). On 19/10/1428H (corresponding to 31/10/2007G) the partners decided to convert the company from a limited liability company into a closed joint stock company while retaining the same commercial name without the word "Limited" to make the commercial name of the company "Al-Sorayai Trading Industrial Group Company" and the approval of His Excellency the Minister of Commerce and Investment for the conversion was issued pursuant to Ministerial Resolution No. (276/Q) dated 01/11/1428H (corresponding to 11/11/2007G) and the Ministerial Resolution announcing the incorporation of the company No. (325/Q) dated 21/11/1428H (corresponding to 31/12/2007G), and it was registered as a closed joint stock company while retaining the same number and date of the Commercial Register certificate (4030133919) issued from Jeddah. On 08/03/1431H (corresponding to 22/02/2010G) the company was converted from a Saudi (closed) joint stock company into a Saudi (public) joint stock company and its shares were listed on the Saudi Stock Exchange (Main Market). On 03/09/1441H (corresponding to 26/04/2020G) the extraordinary general assembly approved changing the company's name from Al-Sorayai Trading Industrial Group Company Limited to Naseej International Trading Company.

The company's current capital is one hundred eight million nine hundred seventy-three thousand ten (108,973,010) Saudi Riyals divided into ten million eight hundred ninety-seven thousand three hundred one (10,897,301) ordinary shares ("Shares") with a nominal value of ten (10) Saudi Riyals per share, fully paid up (referred to individually as a "Current Share" and collectively as "Current Shares"). As of the date of publishing this Prospectus, there are no substantial shareholders in the company (who own 5% or more of the company's shares).

Summary of the Company's Activities

The Company operates its activities pursuant to Commercial Register No. (4030133919) issued on 05/03/1422H (corresponding to 28/05/2001G) in the manufacture of mats, manufacture of carpets, including (prayer carpets and travel rugs), manufacture of moquette, spinning and preparation of synthetic yarns such as nylon and dacron, weaving of textiles from synthetic yarns such as nylon, weaving of textiles from natural yarns, including (linen and jute).

The company's activities are defined as follows, according to Article (4) of the Bylaws:

Table (6): Company's Activities

Chapter	Category
Manufacturing industries	Preparation and spinning of textile fibers
Manufacturing industries	Textile weaving
Manufacturing industries	Carpet and rug making
Construction	Building construction
Construction	Construction of utility projects
Construction	Demolition
Construction	Other structural compositions
Construction	Building completion and finishing

Chapter	Category
Construction	Other specialized construction activities
Wholesale and retail trade and repair of motor vehicles and motorcycles	Wholesale of textiles, clothing and footwear
Wholesale and retail trade and repair of motor vehicles and motorcycles	Wholesale of other household goods
Wholesale and retail trade and repair of motor vehicles and motorcycles	Wholesale of computers, computer peripherals, and software
Wholesale and retail trade and repair of motor vehicles and motorcycles	Wholesale of other machinery and equipment
Wholesale and retail trade and repair of motor vehicles and motorcycles	Wholesale of waste, scrap, and other products not elsewhere classified
Wholesale and retail trade and repair of motor vehicles and motorcycles	Non-specialized wholesale trade
Wholesale and retail trade and repair of motor vehicles and motorcycles	Retail sale of textiles in specialist stores
Wholesale and retail trade and repair of motor vehicles and motorcycles	Carpets, rugs, floor coverings, and wall coverings are sold at retail in specialized stores.
Wholesale and retail trade and repair of motor vehicles and motorcycles	Retail sale of household electrical appliances, furniture, lighting equipment and other household items in specialized stores
Wholesale and retail trade and repair of motor vehicles and motorcycles	Retail sale of books, newspapers, and stationery in specialized stores
Wholesale and retail trade and repair of motor vehicles and motorcycles	Retail sale of textiles, clothing and footwear in kiosks and markets
Transportation and storage	Land transport of goods
Transportation and storage	Storage
Real estate activities	Real estate activities in owned or leased properties
Real estate activities	Real estate activities based on fees or contracts

The company conducts its activities in accordance with applicable regulations and after obtaining the necessary licenses from the relevant authorities, if any.

The company's main current activities are as follows:

A. **Commercial activity:** This consists of the domestic trade (wholesale and retail) of the company's carpets and rugs. The company operates through numerous branches and sales centers, including showrooms and warehouses. The company's commercial activities also includes exporting its products to several Arab and African countries.

B. **Industrial activity:** This includes the manufacture of carpets and rugs through the carpet factory, which holds two operating licenses for a carpet factory and a rug factory. It also includes the production of synthetic yarns through the Jeddah Synthetic Yarn Factory. The company owns two industrial facilities in industrial zones under the supervision of the Saudi Authority for Industrial Cities and Technology Zones ("MODON").

Summary of the company's branches that engage in industrial activity

Table (7): The company's branches that engage in industrial activity

Branch	Commercial Register	Industrial License	Industrial Activity
Jeddah Industrial Yarn Factory	4030115974	411102105715	Preparation and spinning of textile fibers
Al-Sorayai Carpet Factory	4030131014	411102105126	Making carpets and rugs

Source: The Company

C. **Investment activity:** The company may establish its own limited liability or closed joint-stock companies, provided that the capital is not less than (5) million riyals. It may also own shares and stakes in other existing companies or merge with them, and it has the right to participate with others in establishing joint-stock or limited liability companies, after fulfilling the requirements of the applicable regulations and instructions. Naseej Company owns 25% of the shares of the Arabian Calcium Carbonate Production Company Limited.

Company's Capital Structure

The company's shares were listed on the Saudi Stock Exchange on 08/03/1431H (corresponding to 22/02/2010G) with a capital of three hundred million (300,000,000) Saudi Riyals divided into thirty million (30,000,000) ordinary shares and with a nominal value of ten (10) Riyals per share, and on 20/05/1434H (corresponding to 01/04/2013G) the company increased its capital from three hundred million (300,000,000) Saudi Riyals to three hundred seventy-five million (375,000,000) Saudi Riyals and thus increasing the number of the company's shares from thirty million (30,000,000) ordinary shares to thirty-seven million five hundred thousand (37,500,000) ordinary shares through the capitalization of retained earnings by issuing (1) one share for every four (4) shares owned by the Registered Shareholders in the company's registers at the end of trading on the second day following the extraordinary general assembly meeting. On 10/04/1439H (corresponding to 28/12/2017G) the company reduced its capital from three hundred seventy-five million (375,000,000) Saudi Riyals to two hundred twenty-five million (225,000,000) Saudi Riyals, and thus reducing the number of the company's shares from thirty-seven million five hundred thousand (37,500,000) ordinary shares to twenty-two million five hundred thousand (22,500,000) ordinary shares by canceling fifteen million (15,000,000) ordinary shares and with a reduction percentage of (40%) of the company's capital and at a reduction rate of two (2) shares for every five (5) shares. On 27/12/1440H (corresponding to 28/08/2019G) the company's capital was reduced from two hundred twenty-five million (225,000,000) Saudi Riyals to sixty-five million five hundred thousand (65,500,000) Saudi Riyals, and thus reducing the number of the company's shares from twenty-two million five hundred thousand (22,500,000) ordinary shares to six million five hundred fifty thousand (6,550,000) ordinary shares through canceling fifteen million nine hundred fifty thousand (15,950,000) ordinary shares, and with a reduction percentage of (70.89%) of the company's capital and at a reduction rate of (1) share for every (1.41) shares. On 27/05/1441H (corresponding to 22/01/2020G) the company increased its capital from sixty-five million five hundred thousand (65,500,000) Saudi Riyals to one hundred seventy-eight million one hundred sixty thousand (178,160,000) Saudi Riyals and thus increasing the number of the company's shares from six million five hundred fifty thousand (6,550,000) ordinary shares to seventeen million eight hundred sixteen thousand (17,816,000) ordinary shares through the issuance of Preemptive Rights Shares with a value of one hundred twelve million six hundred sixty thousand (112,660,000) Saudi Riyals and with a number of eleven million two hundred sixty-six thousand (11,266,000) ordinary shares and at an issuance rate of (1.72) rights for every (1) share. On 05/05/1442H (corresponding to 20/12/2020G) the company reduced its capital from one hundred seventy-eight million one hundred sixty thousand (178,160,000) Saudi Riyals to sixty-one million six hundred thirty-two thousand ten (61,632,010) Saudi Riyals, and thus reducing the number of the company's shares from seventeen million eight hundred sixteen thousand (17,816,000) ordinary shares to six million one hundred sixty-three thousand two hundred one (6,163,201) ordinary shares by canceling eleven million six hundred fifty-two thousand seven hundred ninety-nine (11,652,799) ordinary shares, and with a capital reduction percentage of approximately (65.4%), and at a reduction rate of (1) share for every (1.529) shares. On 29/03/1443H (corresponding to 04/11/2021G) the company increased its capital from sixty-one million six hundred three-two thousand ten (61,632,010) Saudi Riyals to two hundred eleven million six hundred thirty-two thousand ten (211,632,010) Saudi Riyals and thus increasing the number of the company's shares from six million one hundred sixty-three thousand two hundred one (6,163,201) ordinary shares to twenty-one million one hundred sixty-three thousand two hundred one (21,163,201) ordinary shares through the issuance of Preemptive Rights Shares with a value of one hundred fifty million (150,000,000) Saudi Riyals and with a number of fifteen million (15,000,000) ordinary shares and at an issuance rate of (2.434) rights for every (1) share. On 19/12/1443H (corresponding to 18/07/2022G) the company reduced its capital from two hundred eleven million six hundred thirty-two thousand ten (211,632,010) Saudi Riyals to one hundred eight million nine hundred seventy-three thousand ten (108,973,010) Saudi Riyals, and thus reducing the number of the company's shares from twenty-one million one hundred sixty-three thousand two hundred one (21,163,201) shares to ten million eight hundred ninety-seven thousand three hundred one (10,897,301) shares by canceling ten million two hundred sixty-five thousand nine hundred (10,265,900) shares, and with a capital reduction percentage of approximately (48.51%), and at a reduction rate of (1) share for every (2.06) shares.

On 01/05/1447H (corresponding to 23/10/2025G) the company's board of directors recommended increasing the company's capital through the issuance of Preemptive Rights Shares with a value of one hundred sixty-three million four hundred fifty-nine thousand five hundred ten (163,459,510) Saudi Riyals with the aim of settling financial obligations and supporting the future growth strategy.

Company's Vision

The company remains committed to maintaining its reputation as a leading manufacturer of carpets and rugs and seeks to achieve global success, which it can achieve by expanding its trade network through local and global distribution of the company's products.

Company's Mission

The company strives to provide its products and services with optimal quality that ensures customer satisfaction standards are met, in line with its values towards its employees and shareholders.

Company's Strategy

The company's stated strategy is as follows:

- To focus on manufacturing high-quality carpets and profitable products, and on the commercial side by importing and selling carpets to cover all tastes and obtain the largest market share in the local market.
- Increased production capacity in the carpet manufacturing industry.
- Making the yarn factory an independent, profitable entity.
- Expanding the commercial sector in all matters related to flooring solutions that are in demand from local markets.

Strengths and Competitive Advantages of the Company

Naseej Company is distinguished by the quality of its products manufactured in its local factories, especially carpets.

In detail, the strengths and competitive advantages of Naseej Company are as follows:

- Naseej Company uses the latest technology available in the manufacture of yarns used for making carpets and rugs.
- It relies on standards in using the finest raw materials according to international standards.
- Naseej Company has a widespread network and distributors to meet the needs of its customers in all regions of the Kingdom and beyond.

Market Overview

The global carpets and rugs market size reached 55.87 billion USD in 2024G, and it is expected to reach 88.41 billion USD by 2030G, at a compound annual growth rate (CAGR) of 5.5% during the period from 2025G to 2030G. [1]

The Kingdom of Saudi Arabia is one of the main markets in the Middle East and North Africa region, as it accounted for 29.4% of the regional market share in 2024G, and the Saudi market is expected to grow at a compound annual growth rate (CAGR) of 4.5% during the period from 2025G to 2034G. [2]

And it is expected that the population of the Kingdom will witness a significant increase by the year 2030G, in conjunction with the expansion of major cities and the growth in the tourism sector. These factors are among the main drivers for the increase in construction projects, especially in residential and entertainment units, which enhances the demand for carpet and moquette products.

The growth of the Saudi market is also linked to changing consumer preferences towards focusing on interior decoration, evolving lifestyles, rising income levels, and increased spending on renovating and rehabilitating existing buildings.

The increased use of carpets in end applications, coupled with technological innovations in manufacturing, represents a major growth opportunity in the local market. The completion of major real estate projects is also expected to boost demand for carpet and flooring products, in conjunction with evolving industry standards and the adoption of modern technologies.

The Saudi market is witnessing a growing reliance on natural fibers such as wool and silk, and on traditional handcrafted designs, to meet the needs of consumers seeking luxury and exclusivity. Companies are also embracing sustainability initiatives by using recycled materials and environmentally friendly manufacturing technologies in response to the increasing demand for sustainable products. The expansion of digital channels and the growth of e-commerce are facilitating consumer access to a wide range of carpet and rug products, further enhancing the market's future growth prospects.

Source: The Company

1 www.grandviewresearch.com

2 www.gminsights.com

Financial Information Summary

The summary of financial information presented below is based on the audited consolidated financial statements of the company for the financial years ended 31 December 2022G, 2023G, and 2024G and the notes attached thereto, and the unaudited nine-month period ended 30 September 2025G and the notes attached thereto, in accordance with International Financial Reporting Standards (IFRS) endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA). The financial data of the company for the financial years ended 31 December 2022G, 31 December 2023G, and 31 December 2024G were audited by El-Sayed El-Ayouty & Co. Certified Public Accountants, and the unaudited consolidated financial statements for the nine-month period ended 30 September 2025G were reviewed by El-Sayed El-Ayouty & Co. Certified Public Accountants. The company issues its financial statements in Saudi Riyals.

Summary of the Consolidated Financial Statement

Table (8): Summary of the consolidated financial statement

Summary of the consolidated financial statement					
Million Saudi Riyals	**2022G**	**2023G**	**2024G**	**September 30, 2024G**	**September 30, 2025G**
Non-current assets	179.8	169.5	159.6	159.6	146.6
Current assets	232.2	223.1	156.5	185.5	109.3
Non-current liabilities	177.7	120.5	140.1	149.1	111.4
Current liabilities	128.9	182	128.1	130.1	105.3
Net assets	**105.4**	**90.1**	**47.9**	**65.9**	**39.2**
Represented by:					
Capital	108.9	108.9	108.9	108.9	108.9
Accumulated Losses	(3.5)	(18.8)	(61)	(43)	(69.7)
Equity	**105.4**	**90.1**	**47.9**	**66.0**	**39.3**
Key Performance Indicators (KPIs)					
Liquidity Ratio (Times)	1.80	1.23	1.22	1.43	1.04
Asset Turnover Ratio (Times)	0.68	0.66	0.62	0.46	0.25
Inventory Turnover Ratio (Times)	1.34	1.32	1.55	1.04	0.64
Return on Assets (%)	(0.34%)	(4.05%)	(13.48%)	(7.01%)	(3.40%)
Return on Equity (%)	(1.33%)	(17.65%)	(88.94%)	(36.68%)	(22.14%)
Debt-to-Equity Ratio (Times)	2.91	3.36	5.60	4.23	5.51

Source: The company's financial statements for the years ending December 31, 2022G, 2023G, and 2024G, and for the nine-month period ending September 30, 2025G, and the company's management.

Consolidated Financial Statement of Profit and Loss and Other Comprehensive Income

Table (9): Consolidated financial statement of profit and loss and other comprehensive income

Consolidated financial statement of profit and loss and other comprehensive income								
Million Saudi Riyals	2022G	2023G	2024G	Variance for the fiscal year 2022G-2023G	Variance for the fiscal year 2023G-2024G	September 30, 2024G	September 30, 2025G	Variance for September 30, 2024G - September 30, 2025G
Revenue - Net	280.2	260.5	196.7	(7.0%)	(24.5%)	158.4	63.3	(60.04%)
Cost of Sales	(230.3)	(206.6)	(179.0)	(10.3%)	(13.4%)	(139.9)	(64.3)	(54.04%)
Gross Profit	**49.9**	**53.9**	**17.7**	**8.0%**	**(67.2%)**	**18.5**	**(0.99)**	**(105.34%)**
Selling and Distribution Expenses	(29.4)	(32.2)	(26.9)	9.5%	(16.5%)	(19.8)	(14.5)	(26.77%)
General and Administrative Expenses	(16.7)	(12.8)	(11.7)	(23.4%)	(8.6%)	(8.6)	(7.8)	(9.30%)
Impairment of Current Assets - Net	(1.7)	7.7	(0.4)	(552.9%)	(105.2%)	0.3	(0.4)	(233.33%)
Other Net Income	8.9	4.6	(1.3)	(48.3%)	(128.3%)	(1.4)	22.5	(1707.14%)
Operating Profit/(Loss)	**10.9**	**21.2**	**(22.5)**	**94.5%**	**(206.1%)**	**(11.1)**	**(1.2)**	**(89.19%)**
Profit/(Loss) due to changes in the fair value of derivatives	1.3	(0.2)	-	(115.4%)	-	-		-
Profit/(Loss) on equity in associates and joint ventures	0.7	0.6	(0.2)	(14.3%)	(133.3%)	(0.1)		(100%)
Financing costs	(7.4)	(11.1)	(14.2)	50.0%	27.9%	(10.7)	(7.5)	(29.91%)
Profit/(Loss) Before Zakat	**5.5**	**10.5**	**(36.8)**	**90.9%**	**(450.5%)**	**(21.8)**	**(8.7)**	**(60.09%)**
Zakat	(6.9)	(26.5)	(5.8)	284.1%	(78.1%)	(2.4)	-	(100.00%)
Profit/(Loss) for the Year	**(1.4)**	**(15.9)**	**(42.6)**	**1035.7%**	**167.9%**	**(24.2)**	**(8.7)**	**(64.05%)**
Other Comprehensive Income								
Items that will not be reclassified to profit or loss at a later date:								
Loss on revaluation of defined employee benefit liabilities	(2.2)	0.7	0.3	(130.4%)	(57%)			(57%)
Total Comprehensive Income/ Loss for the Year	**(3.6)**	**(15.2)**	**(42.2)**	**322.2%**	**177.6%**	**(24.2)**	**(8.7)**	**177.63%)**
Key Financial Performance Indicators								
Gross Profit Margin	17.81%	20.65%	9.00%			11.68%	(1.56%)	
Operating Profit Margin	3.89%	8.14%	(11.44%)			(7.01%)	(1.90%)	
Net Profit Margin	(0.50%)	(6.10%)	(21.81%)			(15.28%)	(13.74%)	

Source: The company's financial statements for the years ending December 31, 2022G, 2023G, and 2024G, and for the nine-month period ending September 30, 2025G, and the company's management.

Consolidated Cash Flow Statement

Table (10): Consolidated cash flow statement

Consolidated cash flow statement								
Million Saudi Riyals	2022G	2023G	2024G	Variance for the fiscal year 2022G-2023G	Variance for the fiscal year 2023G-2024G	September 30, 2024G	September 30, 2025G	Variance for September 30, 2024G-September 30, 2025G
Net cash flow from operating activities	(14.6)	29.2	32.00	(300%)	10%	19.4	4.9	(75%)
Net cash flow from investing activities	(0.4)	(0.8)	(4.3)	100%	438%	(1.4)	26.1	(1964%)
Net cash flow from financing activities	(41.9)	(31.4)	(28.3)	(25%)	10%	(18.8)	(31.7)	69%
Net (decrease)/increase in cash and cash equivalents	**(57.68)**	**(3.0)**	**(0.61)**	**(95%)**	**(80%)**	**(0.9)**	**(0.7)**	**(22%)**
Cash and cash equivalents at the beginning of the year	63.3	6.4	3.4	(90%)	(47%)	3.4	2.8	(18%)
Cash and cash equivalents at the end of the year	**6.4**	**3.4**	**2.8**	**(47%)**	**(18%)**	**2.6**	**2.1**	**(19%)**

Source: The company's financial statements for the years ending December 31, 2022G, 2023G, and 2024G, and for the nine-month period ending September 30, 2025G.

Summary of Risk Factors

Investors wishing to subscribe to shares in this offering should carefully study and review all the information contained in this prospectus before making their investment decision regarding subscription or trading in the preemptive rights shares, including in particular the risk factors explained in detail in **Section (2) "Risk Factors"** of this prospectus. There are a number of risks associated with the issuance of the preemptive rights shares, which are summarized below:

Risks Related to the Issuer

- Risks related to revenue concentration
- Risks related to sales volume and profitability
- Risks related to export
- Risks associated with company reputation
- Risks related to reliance on key customers
- Risks related to geographic revenue concentration
- Risks related to accounts receivable
- Risks related to liquidity
- Risks related to the availability and price fluctuations of key raw materials
- Risks related to reliance on key suppliers
- Risks related to inventory Decrease
- Risks related to operational activities continuity
- Risks related to the protection of intellectual property rights
- Risks related to the failure to obtain or renew licenses and certificates
- Risks related to accumulated losses
- Risks related to financial solvency
- Risks related to the cost of financing
- Risks related to sources of funding
- Risks related to non-compliance with loan and credit facility commitments
- Risks related to related party transactions
- Risks related to lawsuits, claims, arbitration, and administrative proceedings
- Risks related to zakat and tax obligations
- Risks related to fixed assets
- Risks related to currency volatility – hedging
- Risks related to the company's entry into the real estate sector
- Risks related to the company's reliance on senior management and key employees
- Risks related to violating labor law regulations
- Risks related to Saudization requirements
- Risks related to insufficient insurance coverage
- Risks related to employee errors or misconduct

- Risks related to staff reductions and their impact on operational efficiency
- Risks related to future energy price increases
- Risks related to operating systems and information technology
- Risks related to outbreaks of infectious or malignant diseases, epidemics, or pandemics in general
- Risks related to disclosures
- Risks of non-compliance with the Capital Market Law and its implementing regulations
- Risks related to the issuance of new regulations
- Risks related to the Companies Law and the amended Governance Regulations

Risks Related to the Market and the Sector in Which the Issuer Operates

- Risks related to the economic performance of the Kingdom.
- Risks related to political and economic instability in the Middle East.
- Risks related to the imposition of new fees or taxes.
- Risks related to the competitive environment.
- Risks related to currency exchange rate volatility
- Risks related to interest rate volatility
- Environment, Safety and Occupational Health.
- Risks associated with implementing Value Added Tax (VAT).
- Growth Opportunities Risks.
- Risks related to energy and electricity products and related services
- Risks of required reports

Risks Related to the Securities Offered

- Risks related to low shareholder awareness of the trading mechanism and the exercise of their rights.
- Risks associated with potential fluctuations in the price of Preemptive Rights.
- Risks related to potential fluctuations in the share price.
- Risks related to the non-profitability or inability to sell Preemptive Rights.
- Risks related to forward-looking statements.
- Risks related to the potential issuance of new shares.
- Risks related to a decline in demand for Preemptive Rights and the Company's shares.
- Risks of dilution of ownership percentages.
- Risks of failure to exercise Preemptive Rights in a timely manner.
- Risks related to dividend distributions to shareholders.
- Risks related to speculation in Preemptive Rights.
- Risks related to the suspension or cancellation of trading in the company's shares due to failure to publish its financial statements within the regulatory period.

For more information about the risks mentioned above, please refer to section (2) "Risk Factors" of this Prospectus.

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1

Terms and Definitions

1- Terms and Definitions

Terms	Definitions
"The Company," "Naseej," or "The Issuer"	Naseej International Trading Company is a Saudi public joint stock company registered in the Commercial Register in Jeddah under certificate No. (4030133919) dated 05/03/1422H (corresponding to 28/05/2001G).
Advisors	The company's advisors whose names are shown on **pages (F, G).**
Management	Company's Management.
Board or Board of Directors	The company's Board of Directors, whose names appear on **page (D).**
Substantial Shareholders	Substantial shareholders of the company are defined as any person (natural or legal) who owns 5% or more of the company's shares. As of the date of this prospectus, the company has no substantial shareholders.
Related Parties	This refers to: 1. The company's affiliates. 2. Substantial shareholders of the company. 3. The company's board members and senior executives. 4. The board members and senior executives of the company's affiliates. 5. The board members and senior executives of the company's substantial shareholders. 6. Any relatives of the persons referred to in (1, 2, 3, 4, or 5) above. 7. Any company controlled by any of the persons referred to in (1, 2, 3, 4, 5, or 6) above. 8. Persons acting in concert with each other and collectively owning (5%) or more of the class of shares to be listed.
Bylaws	The Company's Bylaws
Capital Market Authority or CMA	The Capital Market Authority in the Kingdom of Saudi Arabia.
Senior Executives	Any natural person who is charged (alone or with others) by the company's administrative body or by a member of the company's administrative body with supervisory and management duties, and who reports to any of the following: (1) the administrative body directly, (2) a member of the administrative body, and (3) the Chief Executive Officer.
Administrative Body	The group of individuals who make the company's strategic decisions, and the board of directors of the joint-stock company is its administrative body.
The Saudi Authority for Industrial Cities and Technology Zones ("MODON")	The Saudi Authority for Industrial Cities and Technology Zones ("MODON") is a government authority with an independent legal personality. It was established based on Cabinet Resolution No. (235) dated 27/08/1422H and is directly linked to His Excellency the Minister of Industry and Mineral Resources.
Companies Law	The Companies Law in the Kingdom of Saudi Arabia issued by Royal Decree No. (M/132) dated 01/12/1443H (corresponding to 30/06/2022G) which entered into force on 26/06/1444H (corresponding to 19/01/2023G).
Stock Market	Saudi Exchange Company (Tadawul).
Tadawul	Saudi Tadawul Group.
Founding Shareholders	The company's founding shareholders.
General Assembly	The general assembly which is convened in the presence of the company's shareholders in accordance with the provisions of the Companies Law and the company's bylaws. It may be an ordinary or extraordinary assembly.
Ordinary General Assembly	The ordinary general assembly meeting of the company's shareholders, held in accordance with the company's Bylaws.
Extraordinary General Assembly	The extraordinary general assembly meeting of the company's shareholders, held in accordance with the company's Bylaws.
Gulf Cooperation Council	The Cooperation Council for the Arab States of the Gulf.

Terms	Definitions
Gross Domestic Product (GDP)	Gross Domestic Product (GDP) of the Kingdom of Saudi Arabia.
Government	The government of the Kingdom of Saudi Arabia.
Corporate Governance Regulations	The Corporate Governance Regulations in the Kingdom of Saudi Arabia issued by the Board of the Capital Market Authority pursuant to Resolution No. (8-16-2017) dated 16/05/1438H (corresponding to 13/02/2017G) based on the Companies Law issued by Royal Decree No. M/3 dated 28/01/1437H (corresponding to 10/11/2015G), as amended by the Board of the Capital Market Authority Resolution No. (8-5-2023) dated 25/06/1444H (corresponding to 18/01/2023G) based on the Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443H (corresponding to 30/06/2022G), and any amendments thereto.
Kingdom or Saudi Arabia	Kingdom of Saudi Arabia.
Rights or Preemptive Rights	These are tradable securities that grant their holder the eligibility to subscribe to new shares upon approval of the capital increase. It is an acquired right for all registered shareholders, and each right gives its holder the eligibility to subscribe to one new share at the offer price. The rights will be deposited after the holding of the extraordinary general assembly related to the capital increase. These rights will appear in the accounts of the registered shareholders under a new symbol specific to preemptive rights. Registered shareholders will be notified of the deposition of rights into their portfolios.
Capital Market Law	The Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424H (corresponding to 31/07/2003G).
Rules for offering securities and continuing obligations	The Rules on the Offer of Securities and Continuing Obligations issued by the Board of the Capital Market Authority pursuant to Resolution No. 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G) based on the Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424H, as amended by the Board of the Capital Market Authority Resolution No. (3-6-2026) dated 30/07/1447H (corresponding to 19/01/2026G), and any amendments thereto.
Listing Rules	The Listing Rules issued by the Saudi Exchange Company (Tadawul) and approved by the Capital Market Authority Board Resolution No. 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G), as amended by its Resolution No. 1-46-2026 dated 13/10/1447H (corresponding to 01/04/2026G), and any amendments thereto.
Listing	Listing securities on the main market or - where the context allows - submitting a listing application to the Saudi Exchange Company (Tadawul).
Lead Manager	Musharaka Capital Company.
Net Proceeds of the Offering	Proceeds from the offering after deducting offering expenses.
Offering/Subscription Price	10 Saudi Riyals per share.
Shares Offered for Subscription	Sixteen million three hundred and forty-five thousand nine hundred and fifty-one (16,345,951) ordinary shares.
Right's Indicative Value	The difference between the market value of a company's share during the trading period and the offering price.
Offering Period	The period starting after (3) three business days from the approval of the Extraordinary General Assembly including the approval of the capital increase, from ** **/**/****H (corresponding to **/**/****G) to ** **/**/****H (corresponding to **/**/****G).
Rump Offering	Offering any remaining shares not subscribed to by eligible persons from investment institutions by offering them during the Rump Offering Period.
Rump Offering Period	If there are shares that have not been subscribed to after the end of the subscription period ("Rump Shares"), such shares will be offered to a number of institutional investors (referred to as "Investment Institutions") (this offering process is referred to as the "Rump Offering"). Such investment institutions will submit their offers to purchase the Rump Shares, and such offers will be received starting from 10:00 a.m. on ** **/**/****H (corresponding to **/**/****G) until 5:00 p.m. on ** **/**/****H (corresponding to **/**/****G) ("Rump Offering Period"). The Rump Shares will be allocated to the investment institutions with the highest offer, then the lowest, and so on (provided that it is not less than the offering price), provided that the shares are allocated proportionately to the investment institutions that submit the same offer. As for the fractional shares, they will be added to the Rump Shares and treated similarly.

Terms	Definitions
Registered Shareholders	Shareholders who own shares on the day of the Extraordinary General Assembly meeting for the capital increase and who are registered in the company's shareholder register at the end of trading on the second trading day following the Extraordinary General Assembly meeting.
New investors	General investors, both individuals and institutions – excluding registered shareholders – who purchased preemptive rights during the trading period.
Person	Normal Person.
Prospectus	This prepared document by the Company regarding the subscription of Preemptive Rights Shares.
Fiscal Year/Fiscal Years	It is the period of time to present the results of the establishment's activity, the beginning and end of which are specified in the company's Bylaws, noting that the company's fiscal year begins on January 1 and ends on December 31 of each Gregorian year.
Riyal	Saudi Riyal, the official currency of the Kingdom of Saudi Arabia.
Functional Currency	Saudi Riyal in which the consolidated financial statements are presented.
US dollar	The current official currency of the United States of America.
Euro	The current official currency of the European region.
Sterling	The current official currency is the United Kingdom.
Shareholder	The owner or holder of shares as of any given time.
Total shares offered	The company's ordinary shares, numbering sixteen million three hundred and forty-five thousand nine hundred and fifty-one (16,345,951) shares, have a nominal value of ten (10) Saudi Riyals per share.
Al Wasatah Al Maliah Company or Wasatah Capital	Al Wasatah Al Maliah Company is a closed joint stock Saudi company licensed by the Capital Market Authority with license number (08125-37), Which allows it to deal as a principal and undertake to underwriting, manage, arrange and maintain securities.
Brokers	They are market institutions licensed by the Capital Market Authority to engage in securities trading as an agent.
Institutional Investors	It includes a group of institutions, which are as follows: 1. Government entities and government-owned companies, directly or through a private portfolio manager, or any international body recognized by the Authority, or the market, or any other financial market recognized by the Authority, or the Depository Center. 2. Public investment funds established in the Kingdom that are offered for public offering, in addition to private funds that invest in securities listed on the Saudi Exchange if the terms and conditions of the fund allow it to do so, while adhering to the provisions and restrictions stipulated in the Investment Funds Regulations. 3. Persons licensed to deal in securities as principal, while adhering to financial adequacy requirements. 4. Clients of a person licensed to practice management business, provided that such licensed person has been appointed on terms that enable him to make decisions regarding acceptance of participation in the offering and investment in the Saudi Exchange on behalf of the client without the need to obtain prior approval from him. 5. Any other legal persons may open an investment account in the Kingdom and an account with the Depository Center, taking into account the controls for investment by listed companies in securities, provided that the company's participation does not lead to any conflict of interest. 6. Gulf investors with legal personality, including companies and funds established In the Gulf Cooperation Council countries.
Eligible Persons	The preemptive rights holders, whether they are registered shareholders or general investors from institutions and individuals who purchased preemptive rights, are the eligible persons during the trading period.

Terms	Definitions
Saudi Organization for Chartered and Professional Accountants (SOCPA)	The Saudi Organization for Chartered and Professional Accountants in the Kingdom of Saudi Arabia, formerly the Saudi Organization for Certified Public Accountants. It is a professional authority that through its available knowledge and skills, leads and supervises the accounting and auditing profession in the Kingdom of Saudi Arabia, with the aim of improving and developing its practice, advancing it, monitoring the quality of its performance, raising awareness of its rules and behaviors, and enhancing its participation in serving the national economy and society. It also works with all possible efforts to develop and support individuals, institutions, and various groups related to commercial work to increase confidence and transparency in financial statements and protect investors and users of financial statements.
International Financial Reporting Standards (IFRS)	A set of accounting standards and their interpretations issued by the International Accounting Standards Board.
Ministry of Commerce	Ministry of Commerce in the Kingdom of Saudi Arabia ("formerly the Ministry of Commerce and Investment") (the name "Ministry of Commerce and Investment" has been changed to "Ministry of Commerce").
Subscriber	Any person who subscribes to shares offered for subscription.
Tadawul System	Automated system for buying and selling Saudi stocks.
Industrial Development Fund	It is a government financial institution aimed at supporting the private sector in various industrial fields, and financing and developing the industrial sector in cooperation with government agencies in the Kingdom of Saudi Arabia.
Value Added Tax (VAT)	On 02/05/1438H, the Council of Ministers approved the Unified Value Added Tax (VAT) Agreement for the Gulf Cooperation Council (GCC) countries, which came into effect on 1 January 2018G. This new tax was added to the existing system of taxes and fees levied on specific sectors in the Kingdom and other GCC countries. The VAT rate was initially set at (5%). The Kingdom's government subsequently decided to increase the VAT rate from 5% to 15%, effective July 2020G. Several products were exempted, including (basic foodstuffs and services related to healthcare and education).
Underwriter	Al Wasatah Al Maliah Company (Wasatah Capital).
Underwriting Agreement	Underwriting agreement between the company and the underwriter.
Capital	The balance shown as a separate item within shareholders' equity in the statement of financial position.
Litigation	Resorting to courts or judicial and quasi-judicial committees to reach a settlement of a dispute.
Rules governing foreign investment in securities	These are the rules regulating investment in securities by non-Saudi persons residing outside the Kingdom, issued by the Board of the Capital Market Authority pursuant to Resolution No. (2-26-2023) dated 05/09/1444H (corresponding to 27/03/2023G) based on the Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424H, as amended by the Capital Market Authority Board Resolution No. (1-2-2026) dated 16/07/1447H (corresponding to 05/01/2026G).
Day or business day	Any business day, excluding Friday and Saturday, and any day that is an official holiday in the Kingdom of Saudi Arabia, or any day on which banking institutions close their doors for work in accordance with applicable regulations and other government procedures.
Calendar day	Any day, whether it's a business day or not.
H	Hijri calendar
G	Gregorian calendar
Execution law	The Execution law issued by Royal Decree No. (M/53) dated 13/08/1433H (corresponding to 03/07/2012G) and any amendments thereto.
Synthetic yarns	Yarns made from petrochemical materials consisting of a group of fine fibers assembled to form the yarn are obtained from companies specializing in the local production of raw materials and are used in the manufacture of carpets.
Polypropylene granules	A granular plastic material used to make polypropylene yarns. It is lightweight, durable, and easy to melt and mold into various products.

Terms	Definitions
Natural rubber extractors	A liquid extracted from the rubber tree, used in carpet manufacturing as a strong adhesive that helps to hold carpet layers together.
Jute fiber yarn	Yarn is made from natural fibers extracted from the jute plant and is used in the manufacture of carpets.
Secondary non-woven polyester flooring	A layer of fabric made from non-woven polyester fibers. Used as a base or support for flooring, such as carpets and rugs, to provide strength and stability.
Polypropylene woven primary flooring	A layer of woven fabric made of polypropylene, used as a base in carpet manufacturing to provide strength and stability to the top layers.
Adhesive chemicals (latex)	An adhesive material used in carpet manufacturing to fix carpet layers together.
Polyester yarns	Synthetic fibers made from thermoplastic are used in the manufacture of carpets, and are characterized by their resistance to wrinkling and shrinkage.

2

Risk Factors

2- Risk Factors

In addition to the other information contained in this Prospectus, anyone who wishes to invest in the shares offered for subscription must carefully study all the information contained in the Prospectus, including the risk factors set forth below in this section of the Prospectus, before making a decision to purchase the offered shares. Note that the risks described below may not include all the risks that the company could face; rather, additional risks may exist that are not currently known to the company, or that the company may consider immaterial, or that may not hinder its operations. The company's business, financial position, results of operations, cash flows, and future prospects could be adversely and materially affected in the event of the occurrence or realization of any of the risk factors referred to below.

The company's board of directors also declare that, to the best of their knowledge and belief, there are no material risks, the omission of which could affect the decision of shareholders and potential investors, that are known to them up to the date of this Prospectus other than what has been disclosed within this section. Investment in the offered shares is only suitable for investors who are capable of evaluating the risks and merits of such investment and who possess sufficient resources to bear any loss that may result from such investment, and a potential investor who has any doubts regarding the investment decision in the company should seek the assistance of a financial advisor licensed by the Capital Market Authority to obtain appropriate advice regarding investing in the offered shares.

If any of the risk factors that the company currently believes to be significant occur or materialize, or if any other risks occur that the company has not been able to identify, or that it currently considers to be non-material, this may lead to a decrease in the share price in the market and the potential investor may lose all or part of their investment in these shares.

The risks outlined below are listed in no particular order of importance or expected impact on a company, and additional risks that are not known or are currently considered non-material may have the effects outlined in this prospectus.

2-1 Risks Related to the Issuer

2-1-1 Risks related to revenue concentration

The general nature of the company's business consists of manufacturing high-quality carpets and rugs, and it also focuses on the commercial aspect by importing carpets and selling them to cover all tastes and obtain the largest market share in the local market. The company's revenues are heavily concentrated on sales of moquette rolls and carpet rolls, as moquette roll sales accounted for (49.9%), (53.1%), (48.9%), and (42.4%) of the company's total sales for the financial years ended 31 December 2022G, 2023G, and 2024G, and for the financial period ended 30 September 2025G, respectively. Carpet roll sales accounted for (30.6%), (30.3%), (26.0%), and (31.3%) of the company's total sales for the financial years ended 31 December 2022G, 2023G, and 2024G, and for the financial period ended 30 September 2025G, respectively. The following table shows the details of the company's revenues by product type and its percentage of total sales:

Table (11): Company sales by product type

Revenues	Company Sales								
	2022G		2023G		2024G		September 30, 2025G		Compound Annual Growth Rate (FY 2022G - FY 2024G)
	Thousand Saudi Riyals	Percentage %	Thousand Saudi Riyals	Percentage %	Thousand Saudi Riyals	Percentage %	Thousand Saudi Riyals	Percentage %	
Carpet Products	139,732.0	49.9%	138,423.4	53.1%	96,212.8	48.9%	26,820.5	42.4%	(17.0%)
Rug Products	85,719.5	30.6%	78,973.3	30.3%	60,765.5	30.9%	19,843.0	31.3%	(15.8%)
Yarn	25,830.1	9.2%	22,175.7	8.5%	19,228.6	9.8%	8,714.0	13.8%	(13.7%)
Commercial Products	23,664.5	8.4%	18,307.8	7.0%	15,858.9	8.1%	4,776.7	7.5%	(18.1%)
Other	5,234.8	1.9%	2,636.6	1.0%	4,689.3	2.4%	3,167.7	5.0%	(5.4%)
Total	**280,181.0**	**100%**	**260,516.7**	**100%**	**196,755.2**	**100%**	**63,322.1**	**100%**	**(16.2%)**

Source: The Company

As shown in the table above, the company's revenues witnessed a decrease at a compound annual growth rate (CAGR) of negative 16.2% during the period from the financial year 2022G to the financial year 2024G. This decrease is attributed to several main factors, including competitive pricing pressures during the financial year 2023G, which led to a contraction in sales volume in the financial year 2024G. Liquidity constraints and supply chain disruptions also contributed to reinforcing these pressures, which directly affected the company's total revenue volume during that period.

The sales of the company's main products may be affected by several factors, including but not limited to, changes in consumer preferences or the emergence of new competitors, in addition to a change in the prices of the company's products locally and globally as a result of changes in supply and demand or the company's inability to reach a satisfactory solution with suppliers that caused an interruption or delay in receiving raw materials, and accordingly, in the event that the company fails to diversify its revenue sources, the company's revenues will be directly affected, and this will reflect adversely and materially on the company's business, its subsidiaries, results of operations, financial position, and future prospects.

2-1-2 Risks related to sales volume and profitability

The company's performance depends on its ability to maintain profitability by pricing its products proportionally with the cost structure, in addition to its ability to absorb any increases in operational costs and production costs. The following table shows the evolution of gross profit by sector and the profitability margin during the financial years ended 31 December 2022G, 2023G, and 2024G, and the nine-month period ended 30 September 2025G.

Table (12): Evolution of gross profit by sector and the profitability margin

Thousand Saudi Riyals	Gross Profit by Sector				Gross Profit Margin %			
	2022G	2023G	2024G	September 30, 2025G	2022G	2023G	2024G	September 30, 2025G
Carpet Products	24,704	32,521	7,155	(1,635)	17.7%	23.5%	7.4%	(6.1%)
Rug Products	15,555	12,702	6,138	(683)	18.1%	16.1%	10.1%	(3.4%)
Yarn	12,146	3,921	2,160	379	47.0%	17.7%	11.2%	4.3%
Commercial Products	(3,969)	3,624	(1,658)	478	(16.8%)	19.8%	(10.5%)	10.0%
Other	1,477	1,113	3,942	473	28.2%	42.2%	84.1%	14.9%
Total	**49,913**	**53,881**	**17,737**	**(988)**	**17.8%**	**20.7%**	**9.0%**	**(1.6%)**

Source: The Company

As shown in the table above, the company's gross profit decreased by 64.5% from 49.9 million Saudi Riyals in the financial year 2022G to 17.7 million Saudi Riyals in the financial year 2024G, with the gross profit margin declining from 17.8% to 9.0%, and turning into a negative margin during the nine-month period ended 30 September 2025G. The decrease reflects the shift from pricing pressures and competitive discounts in the financial year 2023G to a sharp decline in quantities sold and weak absorption of fixed costs during the financial year 2024G, across most of the company's business sectors. This indicates that the company is currently operating at a loss at the gross profit level before deducting general and administrative expenses, selling expenses, financing interests, and other indirect costs.

The following is an evolution of performance by the company's main sectors:

- **Carpet products:** Profit margins improved in fiscal year 2023G as a result of stable quantities and improved cost absorption, but they decreased in fiscal year 2024G as a result of decreased quantities due to liquidity constraints and weak fixed cost absorption.
- **Rug products:** Profit margins during the two fiscal years 2023G-2024G were under pressure due to pricing pressures, followed by a sharp decline in quantities and an increase in unit cost due to lower rates of production capacity utilization.
- **Yarn:** A significant decline in profit margins caused almost entirely by the continued decrease in quantities (and not by pricing), resulting in higher unit costs and reduced cost absorption capacity.
- **Commercial products:** Profit margins improved in 2023G, but were negatively affected in 2024G as a result of restrictions on letters of credit, which led to a sharp decrease in import volume, loss of economies of scale, and consequently a substantial increase in unit cost.

As the company also shifted from pressures on profitability margins resulting from price competition during the financial year 2023G to a decline in margins during the financial year 2024G as a result of the decrease in sales quantities, which reflects the presence of structural challenges related to limited liquidity and weak operational capacity. This continuous decrease in quantities has led to the company's inability to sufficiently cover its fixed costs in the manufacturing sectors, in addition to a decline in utilizing economies of scale in the commercial products sector.

As a result of the decline in sales volume and the weak ability of some branches to cover their fixed costs, the management closed branch No. (7012322447) on 28/02/2026G, as the reason for the closure was due to its high fixed costs compared to its sales, with another branch serving the same area. Branch sales increased slightly from 11,316,345.41 Saudi Riyals during 2022G to 11,850,222.04 Saudi Riyals during 2023G, then declined to 8,858,989.27 Saudi Riyals during 2024G, and decreased to 3,142,551.68 Saudi Riyals during the nine-month period ending 30 September 2025G. This reflects the direct impact of the decline in sales on branch operational efficiency and their ability to absorb fixed costs. In the event that the Company is unable to improve sales levels and raise branch operational efficiency, or restructure underperforming branches in a manner that ensures coverage of their fixed costs and achievement of appropriate profit margins, it may be forced to close additional branches or reduce the scope of its operational activities, which may adversely affect its revenues, market share, operational results and financial position.

The main reason for the decline in margins is due to a sharp decline in quantities sold as a result of liquidity and operational capacity constraints, and not just a cyclical weakness in demand. In light of the continuation of these constraints, the company may face difficulty in stabilizing sales and restoring profitability. In the absence of appropriate and timely liquidity support, and without achieving a sustainable improvement in working capital management, the company's ability to stabilize sales volume, improve cost absorption, restore profitability levels, and maintain its market share remains limited, which could have an adverse effect on the company's business, operational results, financial position, and future prospects.

2-1-3 Risks related to export

The company exports its products to Yemen, Jordan, Bahrain, Pakistan, and some countries in Africa such as Ethiopia and Sudan. Export sales amounted to (43,795) thousand Saudi Riyals, (36,619) thousand Saudi Riyals, (32,482) thousand Saudi Riyals, and (13,022) thousand Saudi Riyals as of 31 December 2022G, 2023G, and 2024G, and for the financial period ended 30 September 2025G, respectively, representing (15.6%), (14.1%), (16.5%), and (20.6%) of total sales as of 31 December 2022G, 2023G, and 2024G, and for the financial period ended 30 September 2025G, respectively.

The company's and its subsidiary's ability to export products to their customers in those countries would be affected by any change in the laws of the countries or any change in local rules and regulations in the Kingdom of Saudi Arabia regarding the export of the company's and its subsidiaries' products or the severance of political relations, and consequently, the company's sales will decrease, which in turn will adversely and materially affect the company's and its subsidiary's business, financial results, prospects, and financial position.

2-1-4 Risks associated with company reputation

The company's reputation is highly critical for attracting new customers, retaining its existing customers, and establishing a strong relationship with counterparties. The company's reputation could be damaged in the future as a result of several factors, including the decline of the company's financial results, legal or regulatory actions against the company, or the conduct of one of its employees which may cause the company to breach applicable regulatory requirements. Any damage to the company's reputation will lead to an adverse effect on the company, its subsidiaries, its business, its financial position, its results of operations, its earnings per share, and its future prospects.

2-1-5 Risks related to reliance on key customers

Revenues generated from the company's largest five key customers amounted to 48.7 million Saudi Riyals, 42.7 million Saudi Riyals, 36.6 million Saudi Riyals, and 13.5 million Saudi Riyals, representing (17.35%), (16.32%), (18.66%), and (21.28%) of the company's total revenues for the financial years ended as of 31 December 2022G, 2023G, and 2024G, and for the financial period ended 30 September 2025G, respectively. There is no guarantee of the sustainability of sales volume to key customers, and the company may not be able to maintain its customers in general, or any of its key customers in particular. Therefore, the company must work on expanding its customer base with the aim of reducing reliance on key customers locally or internationally to avoid continuous change in price levels and pressure on profitability margins.

The following table shows the company's five largest customers as of December 31, 2022G, 2023G, 2024G and for the financial period ending September 30, 2025G respectively:

Table (13): The company's five largest customers

Year/Period	Customer	Revenue in Saudi Riyals	Percentage of total revenue
2022G	Customer 1	12,631,030.73	4.50%
	Customer 2	12,200,711.61	4.35%
	Customer 3	9,260,092.25	3.30%
	Customer 4	8,120,023.68	2.89%
	Customer 5	6,479,547.34	2.31%
	Total	**48,691,405.61**	**17.35%**
2023G	Customer 1	12,412,474.96	4.75%
	Customer 3	9,568,242.43	3.66%
	Customer 4	9,211,528.66	3.52%
	Customer 5	6,032,476.51	2.31%
	Customer 2	5,450,013.19	2.08%
	Total	**42,674,735.75**	**16.32%**
2024G	Customer 1	13,462,343.26	6.84%
	Customer 3	8,979,975.18	4.56%
	Customer 4	6,234,949.04	3.17%
	Customer 6	4,663,769.01	2.37%
	Customer 7	3,272,329.21	1.66%
	Total	**36,613,365.70**	**18.66%**
September 30, 2025G	Customer 3	4,036,702.46	6.37%
	Customer 2	2,837,358.31	4.48%
	Customer 4	2,426,733.95	3.83%
	Customer 8	2,239,333.38	3.54%
	Customer 1	1,940,640.17	3.06%
	Total	**13,480,768.2**	**21.28%**

Source: The Company

It should be noted that if the company loses one or more of these five key customers, or if business volume with them declines, it will lose a significant portion of its revenue without being able to compensate from other customers. This will have a substantial and negative impact on the company's operations, its subsidiaries, its financial position, its operating results, and its future prospects.

2-1-6 Risks related to geographic revenue concentration

The company's revenues are heavily concentrated in the Western Region, amounting to (160,537) thousand Saudi Riyals, (139,281) thousand Saudi Riyals, (109,027) thousand Saudi Riyals, and (39,099) thousand Saudi Riyals, representing (57.3%), (53.5%), (55.4%), and (61.7%) of total sales as of 31 December 2022G, 2023G, and 2024G, and for the financial period ended 30 September 2025G, respectively. The following table shows the details of the company's revenues by geographic region and its percentage of total revenues:

Table (14): Company Revenue by Geographic Region

Region	2022G		2023G		2024G		September 30, 2025G	
	Thousand Saudi Riyals	Percentage %	Thousand Saudi Riyals	Percentage %	Thousand Saudi Riyals	Percentage %	Thousand Saudi Riyals	Percentage %
Western region	160,537	57.3%	139,281	53.5%	109,027	55.4%	39,099	61.7%
Southern Region	39,433	14.1%	38,802	14.9%	28,396	14.4%	6,614	10.4%
Central Region	35,892	12.8%	36,299	13.9%	23,661	12.0%	6,497	10.3%
Eastern Region	24,557	8.8%	26,376	10.1%	21,634	11.0%	7,035	11.1%
Northern Region	19,762	7.1%	19,759	7.6%	14,037	7.1%	4,077	6.4%
Total sales	**280,181**	**100%**	**260,517**	**100%**	**196,755**	**100%**	**63,322**	**100%**

Source: The Company's Management

The company's inability to maintain its market share in the Western region, or the company's being affected by negative changes that may occur in the Western region as a result of a decrease in demand for the company's products, or the company's inability to further diversify its revenue sources, will in turn lead to a significant decline in the company's sales and profits, which will negatively and substantially affect the company's business, financial position, operating results, and future prospects.

2-1-7 Risks related to accounts receivable

Credit risk arises when customers are unable to meet their financial obligations to the company, whether temporarily or permanently. The company or any of its subsidiaries may face credit risk due to outstanding receivables or the failure of some debtors to meet their obligations. The company applies the Expected Credit Loss (ECL) methodology to calculate the provision for doubtful debts.

The company's net accounts receivable balance reached 100,103 thousand Saudi Riyals, 103,195 thousand Saudi Riyals, 83,952 thousand Saudi Riyals, and 57,598.1 thousand Saudi Riyals for the financial years ended 31 December 2022G, 2023G, and 2024G, and for the financial period ended 30 September 2025G, respectively, representing 35.7%, 39.6%, 42.7%, and 67.3% of the revenues during the same periods.

Table (15): Details accounts receivable and number of days for sales collection

Thousand Saudi Riyals	2022G	2023G	2024G	September 30, 2025G
Trade receivables	100,103.0	103,195.0	83,952.0	57,598.1
Number of days for collecting sales (days)	130	142	174	246
Trade receivables as a percentage of revenue %	35.7%	39.6%	42.7%	67.3%

Source: The Company

Despite the decrease in the net accounts receivable balance from 100,103 thousand Saudi Riyals in the financial year 2022G to 83,952 thousand Saudi Riyals in the financial year 2024G, in line with the decline in sales, collection efficiency deteriorated significantly, as the days sales outstanding increased from 130 days in 2022G to 174 days in 2024G, and then to 246 days in the first nine months of 2025G, reflecting a slowdown in the collection of trade receivables and an increase in credit risks associated with revenues and operational cash flows.

In addition to that, the aging of trade receivables increased, as outstanding balances for more than a year reached approximately 61.9 million Saudi Riyals as of 30 September 2025G (66.7% of total receivables), while provisions of 35.2 million Saudi Riyals were maintained as of 30 September 2025G, leaving about 26.7 million Saudi Riyals of long-term receivables uncovered by provisions as of 30 September 2025G. It is worth noting that the company increased these provisions to face collection risks, reaching 38.9 million Saudi Riyals as of 31 December 2025G.

As of the date of preparation of this Prospectus, the total value of litigation claims and those under dispute for the company, in its capacity as plaintiff, amounted to 1,818,831 Saudi Riyals **(for further details, please review sub-paragraph No. (9.10) "Disputes and Lawsuits" of Section (9) "Legal Information" of this Prospectus)**, which increases the possibility of additional write-offs or the need for future provisions if collectability does not improve. The increase in the ratio of trade receivables to revenues from 35.7% in 2022G to 67.3% in the first nine months of 2025G reflects an increased reliance on uncollected balances, which increases liquidity-related risks and makes the company more dependent on short-term financing to support operational processes.

The company cannot guarantee that the counterparties it deals with will not fail to fulfill their obligations, nor can it accurately predict their future ability to comply. In the event that the debtors fail to settle the company's dues on time or fail to comply with payment at all, in part or in full, this will adversely and materially affect the company, its subsidiaries, its financial position, and its results of operations.

2-1-8 Risks related to liquidity

The company faces liquidity risks when it is unable to provide the necessary funds to meet its financial obligations arising from operational activities and liabilities on time. The company's liquidity ratio reached 1.80 times, 1.23 times, 1.22 times, and 1.04 times as of 31 December 2022G, 2023G, and 2024G, and for the financial period ended 30 September 2025G, respectively. When the liquidity ratio is less than 1, this indicates that the company may not possess sufficient ability to settle its current liabilities using its available current assets.

Liquidity issues have affected the company's ability to settle its financial obligations, whether to financing entities, suppliers, employees, or other operational expenses. The company's trade payables balance reached 29,896 thousand Saudi Riyals, 30,081 thousand Saudi Riyals, and 31,516 thousand Saudi Riyals as of 31 December 2022G, 2023G, and 2024G, respectively, and then decreased to 20,949 thousand Saudi Riyals in the first nine months of the financial year 2025G. This decrease is mainly due to a decline in purchasing activity and not an improvement in payment to trade payables. The following table shows trade payables during the years ended 31 December 2022G, 2023G, and 2024G, and for the financial period ended 30 September 2025G, respectively.

Table (16): Trade Payables

Thousand Saudi Riyals	2022G	2023G	2024G	September 30, 2025G
Trade payables	29,896.0	30,081.0	31,516.0	20,948.8
Number of days for payments	56	57	84	120
Payables as a percentage of cost of sales (excluding depreciation)	15.2%	15.7%	23.1%	44.6%

Source: The Company

As shown in the table above, the increase in settlement periods and delayed payment of dues reflected in the increase of days payable outstanding from 56 days in 2022G to 84 days in 2024G, and then to 120 days in the first nine months of 2025G, indicating increasing delays in paying suppliers. Trade payables as a percentage of cost of sales (excluding depreciation) also increased from 15.2% in 2022G to 44.6% in the first nine months of 2025G, highlighting the growing reliance on supplier credit as the company's liquidity shortage intensifies.

It is worth noting that trade payables whose aging exceeded more than 180 days reached 18.4 million Saudi Riyals in 2024G (58% of total payables), and rose to 16.6 million Saudi Riyals as of September 2025G (79% of total payables), despite the credit terms agreed upon with suppliers usually ranging between 30 to 60 days. The balance of payables outstanding for more than two years also reached 4.5 million Saudi Riyals, reflecting the company's reliance on delaying payments to finance working capital as a result of the liquidity crisis.

It is also worth noting that capital expenditures and the settlement of financing obligations contributed to increasing pressures on liquidity levels, which led to the erosion of the opening cash balance (as of the beginning of the year 2022G) amounting to 63.9 million Saudi Riyals, in addition to the cumulative free cash flow generated during the period from the year 2022G until 30 September 2025G amounting to 72.2 million Saudi Riyals, so that the net balance decreased to 2.1 million Saudi Riyals only as of 30 September 2025G. The following table shows the statement of cash flows for the financial years ended 31 December 2022G, 2023G, and 2024G, and for the financial period ended 30 September 2025G.

Table (17): Statement of Cash Flows

Statement of Cash Flows				
Thousand Saudi Riyals	2022G	2023G	2024G	September 30, 2025G
Profit/(Loss) Before Zakat	5,509	10,514	(36,843)	(8,666)
Non-Cash Adjustments	(1,203)	(20,154)	4,993	(11,512)
Adjusted Profit/(Loss)	4,306	(9,640)	(31,850)	(20,178)
Changes in working capital	(18,862)	38,839	63,847	25,080
Cash flow from operating activities	(14,556)	29,199	31,997	4,902
Cash flow from investing activities	(374)	(780)	(4,291)	26,058
Company free cash flows	(14,930)	28,419	27,706	30,960
Cash flow from financing activities	(41,890)	(31,435)	(28,320)	(31,636)
Net cash flow	(56,820)	(3,016)	(614)	(677)
Opening cash	63,256	6,436	3,420	2,806
Closing cash	6,436	3,420	2,806	2,130

Source: The Company

The company's free cash flow was volatile during the period from the financial year 2022G until the first nine months of the financial year 2025G. While the reported free cash flow was positive in the financial year 2023G, the financial year 2024G, and the first nine months of the financial year 2025G, this was not reflected in strengthening liquidity levels as a result of the pressures resulting from investing and financing activities. This indicates high short-term liquidity risks, the company's limited ability to absorb fluctuations in operations, and the need for additional cash liquidity to support the financial position and enable the company to cover its deficit, alongside achieving a material improvement in cash generation from operational activities to maintain the continuity of operations and meet the company's obligations. In this context, the company also intends, through offering Preemptive Rights Shares, to settle its financial obligations. **(For further details, please review sub-paragraph No. (6.2) "Use of Net Offering Proceeds" of Section (6) "Use of the Offering Proceeds and Future Projects" of this Prospectus).**

In the event that the company continues its current approach in depleting its cash balances or fails to improve operational cash generation and provide the liquidity required for it, this could affect its relationship with its suppliers or lead to legal actions being taken against it, which may cause a disruption in the supply of raw materials, which in turn will contribute to reducing the company's production rates and will adversely and materially affect the company's and its subsidiaries' business, results of operations, and future prospects.

2-1-9 Risks related to the availability and price fluctuations of key raw materials

The company's products, whether carpets, rugs, or synthetic yarns, depend on raw materials manufactured from plastics, whether in the form of granules or in the form of fibers, as petrochemical product derivatives are the most important raw materials for the company's business and represent an important element of the costs and expenses incurred by the company. The price of petrochemical products is characterized by a cyclical and volatile nature, and the following table shows the change in raw material prices during the financial years ended as of 31 December 2022G, 2023G, and 2024G, and for the financial period ended 30 September 2025G, respectively:

Table (18): Raw material prices

Raw material	Raw material prices in Saudi Riyals/unit							
	2022G	2023G	Percentage change for 2022G compared to 2023G	2024G	Percentage change for 2023G compared to 2024G	September 30, 2024G	September 30, 2025G	Percentage change for the period 30 September 2024G compared to the period 30 September 2025G
Polypropylene granules	5.03	3.99	(20.7%)	3.69	(7.5%)	3.76	3.43	(8.8%)
Natural rubber extractors	4.93	4.11	(16.6%)	4.10	(0.2%)	4.10	4.65	13.4%
Jute fiber yarn	6.94	4.76	(31.4%)	4.58	(3.8%)	4.85	5.06	4.3%
Secondary non-woven polyester flooring	0.97	1.05	8.2%	1.05	-	1.05	1.05	-
Polypropylene woven primary flooring	1	0.88	(12.0%)	0.8	(9.1%)	0.8	0.84	5.0%

Source: The Company

Since the company primarily relies on the availability of these materials, its operations may be directly and adversely affected in the event of any delay in such supplies, any change in the terms of their provision that is not in the company's favor, or their interruption. Furthermore, any change in the prices of the main raw materials used in the company's production will affect the results of the company's operations, and the company's profitability may be adversely affected in the event of an increase in raw material prices if the company does not succeed in raising the selling prices of its products or covering the deficit by reducing other operational costs, which would have an adverse effect on the company's and its subsidiaries' business, financial position, and future prospects.

2-1-10 Risks related to reliance on key suppliers

The company's continuity depends on its ability to provide raw materials at appropriate prices. The company deals with local and international suppliers to provide its raw materials, and the mechanism of dealing with suppliers is on the basis of contracts or through issuing direct purchase orders. The company's raw material purchases from the largest five suppliers represented (56.35%), (51.39%), (43.23%), and (65.56%) of total purchases for the financial years ended as of 31 December 2022G, 2023G, and 2024G, and for the financial period ended 30 September 2025G, respectively.

The following table details the company's main suppliers for the financial years ending December 31, 2022G, 2023G, and 2024G, and for the financial period ending September 30, 2025G, respectively:

Table (19): Key Suppliers

Year/Period	Supplier	Product type	Purchases (Saudi Riyals)	Percentage of total purchases
2022G	Supplier 1	Polypropylene granules	28,613,079	22.19%
	Supplier 2	Primary and secondary flooring	15,237,725	11.82%
	Supplier 3	Jute fiber yarn	9,792,038	7.59%
	Supplier 4	Polypropylene granules	9,563,756	7.42%
	Supplier 5	Adhesive chemicals	9,447,035	7.33%
	Total		**72,653,633**	**56.35%**

Year/Period	Supplier	Product type	Purchases (Saudi Riyals)	Percentage of total purchases
2023G	Supplier 1	Polypropylene granules	24,527,035.50	18.89%
	Supplier 2	Primary and secondary flooring	13,717,880.61	10.57%
	Supplier 5	Adhesive chemicals	10,204,799.45	7.86%
	Supplier 6	Polyester yarns	9,778,965.86	7.53%
	Supplier 7	Polypropylene granules	8,477,662.50	6.53%
	Total		**66,706,344.92**	**51.39%**
2024G	Supplier 7	Polypropylene granules	12,567,338	13.82%
	Supplier 2	Primary and secondary flooring	9,182,206	10.09%
	Supplier 5	Adhesive chemicals	8,270,118	9.09%
	Supplier 1	Polypropylene granules	5,026,747	5.53%
	Supplier 8	Polypropylene granules	4,273,228	4.70%
	Total		**39,319,637**	**43.23%**
September 30, 2025G	Supplier 8	Polypropylene granules	3,853,737	21.42%
	Supplier 5	Adhesive chemicals	3,115,480	17.31%
	Supplier 2	Primary and secondary flooring	1,987,245	11.04%
	Supplier 1	Polypropylene granules	1,655,313	9.20%
	Supplier 9	Jute fiber yarn	1,184,625	6.58%
	Total		**11,796,400**	**65.56%**

Source: The Company

Due to the company's reliance in its dealings on direct purchase agreements, it may be exposed to risks related to the possibility of raw material interruption and volatility in their prices, whether for a short or long period of time. In addition to the risks of the expiration of the agreements without being renewed, it may therefore be difficult for the company to guarantee the continuity of supply and that the work will not be affected in light of the absence of contracts or agreements with these suppliers. Furthermore, the occurrence of any defect, failure, or sudden interruption in the suppliers' work, or the termination of the relationship with one of the suppliers, or the change of any of the terms or obligations, will adversely and materially affect the production rates of the company and its subsidiaries, and its business, results of operations, and financial performance.

2-1-11 Risks related to inventory Decrease

The company must maintain adequate inventory levels to ensure production continuity and the availability of the appropriate type and quantity at the required times. However, net inventory decreased significantly during the period from the financial year ended 31 December 2022G until 30 September 2025G, reaching 108,436 thousand Saudi Riyals, 106,253 thousand Saudi Riyals, 61,113 thousand Saudi Riyals, and 41,896.3 thousand Saudi Riyals, respectively, reflecting continuous liquidity constraints that adversely affected the company's ability to execute necessary purchase operations for production.

Table (20): Inventory and Inventory Turnover (Days)

Thousand Saudi Riyals	2022G	2023G	2024G	September 30, 2025G
Inventory	108,436.0	106,253.0	61,113.0	41,896.3
Inventory turnover (days)	272.8	276.0	236.1	424.5

Source: The Company

Despite the decrease in inventory turnover from 272.8 days in the financial year 2022G to 236.1 days in the financial year 2024G, this decrease does not reflect an improvement in operational efficiency, but rather indicates a shortage in purchasing and reliance on existing inventory to meet production. Inventory turnover also increased to 424.5 days in the first nine months of the financial year 2025G as a result of the decline in sales volume, which increases liquidity pressures and limits the company's ability to respond to demand recovery.

It is worth noting that a large portion of the inventory became slow-moving as of December 2024G, as the inventory that has been aged for two years or more reached 49.5 million Saudi Riyals, equivalent to 55.6% of total inventory. The provision for slow-moving inventory also reached 27.9 million Saudi Riyals and was partially reduced as a result of a change in accounting estimate, leading to the reversal of an amount of 3.4 million Saudi Riyals, without the affected inventory being used or disposed of. Based on current operational conditions, the gap between the slow-moving inventory and the formed provision exposes the company to the possibility of an additional write-off of up to 21.6 million Saudi Riyals if the company's operational capacity does not recover.

The decrease in inventory levels in this manner, in conjunction with liquidity constraints and the increase in days inventory outstanding, increases the risks of supply chain disruption and places further pressure on revenues and the stability of working capital, and it may also lead to losses in the event that the company is forced to sell inventory at discounts or at prices below cost. All of this may adversely and materially affect the operations of the company and its subsidiaries, its financial position, its business results, and its future prospects.

2-1-12 Risks related to operational activities continuity

The company's success depends to a large extent on the business of its factories and the continuity of its production. Any breakdown that occurs in the machinery, shortage of raw materials, sudden power outage, bad weather conditions, or the occurrence of natural disasters such as fires and others would result in a stoppage in the company's production process, which in turn will limit the quantity of finished products directed to the company's warehouses, showrooms, and customers. It is worth noting that the company faced operational challenges related to the nature of its industrial activity, including but not limited to: power outages, delayed supply of some raw materials due to market conditions and liquidity, which led to a decrease in production volume without resulting in a complete stoppage of its operations or a material impact on its financial results. Accordingly, there is no guarantee that these challenges will not recur or that material breakdowns will not occur, which would cause a decrease in sales and which in turn will adversely and materially affect the business of the company and its subsidiaries, its results of operations, its financial position, its profitability, and its future prospects.

2-1-13 Risks related to the protection of intellectual property rights

The company markets its products and develops its business using its name, logo, and trademark, which support its business and competitive position and grant it a clear distinction in the market among customers. However, the company has not registered its trademark with the competent authority to grant it the necessary legal protection in accordance with the Trademark Law. As of the date of this Prospectus, the company submitted an application to register the trademark, as submitting an application to register a trademark grants it temporary protection and gives the company owning the mark a priority right to own the trademark. However, the non-issuance of the final registration certificate, which guarantees the company's exclusive and final right to use the logo, may lead to the unlawful use of the company's trademark by third parties (or the competent authority may refrain from registering the logo in the company's name if an objector provides proof justifying their objection, or if it is found that a similar logo was registered prior to the company's application), which may lead to an impact on the company's reputation, and this will result in filing lawsuits and claims before the competent courts to protect these rights. This is a costly process that requires significant time and effort from the management to follow up on it. In the event that the company fails to protect its trademarks effectively or track similar marks, this will adversely affect their value; in addition, the company will not be able to place its logo and use it on its products or place it on the exterior facade of the building, offices, or company cars.

Furthermore, the company has not committed to registering its website with the Communications, Space and Technology Commission - Saudi Network Information Center. Although registering the website is not a regulatory and mandatory requirement, its registration contributes to protecting the company's domain name from unlawful use or infringement by another party who may resort to using a similar domain, enhances the company's rights in the event of legal disputes, and strengthens trust and credibility as the presence of an officially registered domain name enhances the company's credibility before customers and partners. In addition, the Saudi Network Information Center provides technical support services and supervision over registration and maintenance operations, which ensures the continuity of the website's operation in a secure and reliable manner.

2-1-14 Risks related to the failure to obtain or renew licenses and certificates

In order to execute and expand its business, the company must obtain a number of licenses, certificates, permits, and approvals from governmental regulatory, legal, administrative, and tax authorities and bodies, among others, in the Kingdom, and in particular the municipal license to practice commercial activities, the civil defense license for its facilities in the Kingdom, industrial licenses, operating licenses, and environmental operating licenses to practice industrial activities. The procedures for obtaining these licenses, certificates, permits, and approvals often require a long time, and most of them are subject to conditions under which they may be suspended or revoked in the event that the licensee fails to comply with certain requirements. As of the date of this Prospectus, the company has a number of expired licenses, and the company may be subject to violations and penalties in the event that any of the activities are operated without obtaining those licenses or renewing the expired ones, such as financial penalties or closing the violating branch. The company may also be exposed to penalties and fines if it continues to practice its activities without renewing the licenses. In addition, upon renewal or amendment of the scope of the license, certificate, or permit, the competent authority may not approve such renewal or amendment, and it may impose conditions that would adversely affect the company's performance in the event of its approval to renew or amend those documents. In the event that the company is unable to maintain, initially obtain, or renew the relevant licenses, permits, and approvals, its ability to achieve its strategic objectives may weaken, and it may be forced to close its establishments and facilities that lack operational licenses or be subject to financial fines, which would have an adverse and material effect on the company's business, financial position, results of operations, and future prospects.

As of the date of this Prospectus, the company has not extracted a commercial activity license (municipal license) for branch No. (7006993419) and No. (7068036452) through which it practices its activities. The company's non-compliance with the requirements of the Ministry of Municipalities and Housing regarding the renewal/issuance of municipal licenses for the location through which it practices its commercial activity is considered a violation of the Municipal Licensing Procedures Law issued by Royal Decree No. (M/59) dated 23/09/1435H (corresponding to 20/07/2014G), and the company may be exposed to the penalties provided for in the Regulations of Penalties for Municipal Violations (issued by Council of Ministers Resolution No. (92) dated 05/02/1442H (corresponding to 22/09/2020G)) and its executive rules issued by Ministerial Resolution No. (4300204526) dated 12/03/1443H (corresponding to 18/10/2021G), which may reach up to five hundred thousand (500,000) Saudi Riyals, and it may also reach the point of closing the company's offices, which may adversely affect the company's operations, results of operations, and financial position.

In addition to that, the company has not extracted a safety certificate (civil defense) for some branches through which it practices its activities. It has also not renewed the expired safety certificate No. (1-001122493-44) for branch (7011898793). Non-compliance will expose the company to the penalties and fines provided for in Article (30) of the Civil Defense Law issued by Royal Decree No. (M/10) dated 10/05/1406H (corresponding to 21/01/1986G) and its amendments, which provides for imposing a penalty on the violator of any provision of this law, its regulations, or decisions issued pursuant thereto, of imprisonment for a period not exceeding six months, or a fine not exceeding 30 thousand Saudi Riyals, or both. Furthermore, the company's failure to obtain civil defense licenses will lead to the company's inability to extract new municipal licenses or renew current licenses, and in the event of its inability to extract safety licenses from the civil defense, this may lead to the closure of the headquarters until the regulatory procedures for extracting civil defense licenses are completed.

Furthermore, the environmental operating permit has not been renewed for branch No. (7006372531) which has industrial licenses and is required to issue environmental operating permits. Non-compliance will expose the company to the penalties and fines provided for in the Executive Regulations for Environmental Permits for the Construction and Operation of Activities. The violation is considered severe in the event of practicing the activity without obtaining an environmental permit, and the fine ranges between five thousand (5,000) and fifty thousand (50,000) Saudi Riyals, and the violator is required to remove the violation, repair the damage, and pay compensations. **(For further details, please review sub-paragraph No. (9.6.8) "Continuous Obligations According to the Requirements of the National Center for Environmental Compliance" of Section (9) "Legal Information" of this Prospectus).**

Furthermore, the company has not been able to renew the wages protection system compliance certificate for the head office and branches. The company's non-compliance with uploading the wages file on a monthly basis or non-compliance upon uploading the file monthly with the compliance rate specified by the Ministry may lead to the company's inability to issue a wages protection system compliance certificate or renew the expired ones, which may expose it to the imposition of penalties and fines reaching up to the suspension of the Ministry's services for the establishment and a financial fine amounting to two thousand (2,000) Saudi Riyals (for the establishment classified under category -A- and has 50 workers and above), in addition to a fine amounting to (300) three hundred Saudi Riyals for each worker whose wage is proven not to have been paid on the due date and in the national currency, in accordance with what is stated in the schedule of violations and penalties issued pursuant to Ministerial Resolution No. (75913) dated 19/05/1445H (corresponding to 03/12/2023G).

In addition to the non-renewal of the operating licenses for the company's branches issued by the Saudi Authority for Industrial Cities and Technology Zones (Modon), which number two (2), which is considered a violation of the regulations, bylaws, conditions, and instructions issued by Modon, in addition to the fact that this constitutes a breach of the company's obligations provided for in the lease contracts, which may expose the company to financial fines or penalties that may consist of not enabling the company to lease new lands within Modon's scope or it may not be able to renew other licenses such as the industrial license, which will affect the conduct of its business.

It is worth noting that during the period from 2022G until 30 September 2025G, the company was subject to a number of violations and fines issued by different government entities as a result of non-compliance with certain regulations and regulatory requirements. In 2022G, the fines totaled 60,098 Saudi Riyals as a result of violations of civil defense regulations, practicing an activity without obtaining a license, and delay in renewing employees' residencies. In 2023G, fines amounting to 56,000 Saudi Riyals were imposed due to the failure to apply the Transport Authority's requirements to the company's vehicles. As for 2024G, the fines reached 97,374 Saudi Riyals as a result of violations of the Transport Authority's requirements and delay in renewing residencies. Until 30 September 2025G, the fines reached 37,800 Saudi Riyals due to violations related to the Transport Authority's requirements, civil defense regulations, non-issuance of an operating license for one of the factories, and delay in renewing residencies, in addition to a municipal violation and traffic violations.

Accordingly, the company's failure to comply with regulatory licensing requirements and renew them within the specified times may expose the company to financial penalties, the suspension of some of its activities, or the closure of its branches and facilities, which may have a substantial negative impact on the company's ability to conduct its business as usual, and directly affect its operational processes, financial results, financial position, and future directions.

2-1-15 Risks related to accumulated losses

The company's accumulated losses reached an amount of (3,584) thousand Saudi Riyals, (18,824) thousand Saudi Riyals, (61,045) thousand Saudi Riyals, and (69,711) thousand Saudi Riyals, representing (3.29%), (17.27%), (56.02%), and (63.97%) of the company's capital amounting to (108,973) thousand Saudi Riyals for the financial years ended as of 31 December 2022G, 2023G, and 2024G, and for the financial period ended 30 September 2025G, respectively. The main reasons for incurring these accumulated losses are due to the continuous decline in sales volume, as sales reached an amount of (280.18) thousand Saudi Riyals, (260.52) thousand Saudi Riyals, (196.76) thousand Saudi Riyals, and (63.32) thousand Saudi Riyals, as of 31 December 2022G, 2023G, and 2024G, and for the financial period ended 30 September 2025G, respectively. This continuous decrease in revenues is attributed to the decline in production rates, which in turn led to the inability to absorb manufacturing expenses.

According to Article (132) "Company Losses" of the Saudi Companies Law: If the losses of a joint stock company reach (half) of the issued capital, the board of directors must disclose this and its recommendations regarding those losses within (sixty) days from the date of its knowledge of it reaching this amount, and call the extraordinary general assembly to meet within (one hundred and eighty days) from the date of knowledge thereof to consider the continuation of the company while taking any of the necessary measures to remedy those losses, or dissolve it. Based on the Procedures and Instructions Related to Listed Companies Whose Accumulated Losses Reach 20% or More of Their Capital issued by the Board of the Capital Market Authority pursuant to Resolution No. 4-48-2013 dated 15/01/1435H (corresponding to 18/11/2013G) pursuant to the Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424H and amended by Resolution of the Board of the Capital Market Authority No. (8-5-2023) dated 25/06/1444H (corresponding to 18/01/2023G) under Article 5: Accumulated losses of the company reaching 50% or more of its capital, the company must disclose to the public immediately and without delay by a separate announcement when its accumulated losses reach 50% or more of its capital, provided that the announcement includes the amount of accumulated losses, their percentage of the capital, and the main reasons that led to reaching these losses, with reference in the announcement that these procedures and instructions will be applied to it. In the event that the required disclosure coincides with the announcement of the interim or annual financial results, the company is exempted from disclosing by a separate announcement if it includes it in the announcement of the interim or annual financial results.

The company announced on Tadawul website dated 23/09/1446H (corresponding to 23/03/2025G), that its accumulated losses reached an amount of (61,045) thousand Saudi Riyals and a percentage of (56.02%) of its capital. The company also announced on 24/11/1446H (corresponding to 22/05/2025G) on Tadawul website that its accumulated losses decreased to (49.11%) of its capital as a result of selling a building with a value of (27,000,000) Saudi Riyals and waiving the lease contract of the land leased from the Saudi Authority for Industrial Cities and Technology Zones ("Modon") on which that building is constructed in favor of the buyer (according to the procedures followed by Modon), noting that dispensing with the building does not affect operational business.

The company also announced on Tadawul website dated 08/05/1447H (corresponding to 30/10/2025G), that its accumulated losses reached an amount of (69,711) thousand Saudi Riyals and a percentage of (63.97%) of its capital. The company also announced on the same date the procedures that the company will take regarding these losses, which include the recommendation to increase the capital through offering Preemptive Rights Shares for the purpose of settling financial obligations and supporting the future growth strategy.

The company also announced on 25/12/2025G that the accumulated losses reached more than (50%) of the capital, and disclosed the board of directors' recommendations regarding them, which included the recommendation to increase the capital through offering Preemptive Rights Shares, in addition to studying other operational and financing alternatives. On 23/10/2025G, the board of directors recommended increasing the company's capital by an amount of one hundred and sixty-three million four hundred and fifty-nine thousand five hundred and ten (163,459,510) Saudi Riyals through offering Preemptive Rights Shares, with the aim of settling financial obligations and supporting the future growth strategy. This recommendation is subject to a number of regulatory approvals, including the approval of the Capital Market Authority and the approval of the extraordinary general assembly. However, there is no assurance that the company will be able to succeed regarding the board of directors' recommendation concerning the accumulated losses reaching more than 50%, and there is also no assurance that the company will not incur any future losses, which will force it to take the procedures and instructions related to listed companies whose accumulated losses reach 20% or more of their capital, which would adversely and materially affect the company's business, financial position, results of operations, and future prospects.

2-1-16 Risks related to financial solvency

The company relies on a mix of debt and equity financing to finance its operational and investment activities. Net debt reached an amount of (243,444) thousand Saudi Riyals, (246,044) thousand Saudi Riyals, (214,795) thousand Saudi Riyals, and (170,624) thousand Saudi Riyals, as of 31 December 2022G, 2023G, and 2024G, and for the financial period ended 30 September 2025G, respectively.

The company's financing structure witnessed an increase in the level of liabilities compared to equity and total assets, which may result in a number of risks that could adversely affect the financial position, business results, and cash flows of the company. The increase in the ratio of liabilities to equity or to total assets may limit the company's financial flexibility and its ability to obtain additional financing on favorable terms in the future, especially in the event of unexpected fluctuations in operational performance, general economic conditions, or interest rates. Furthermore, the increase in liabilities may entail higher financing burdens that include finance costs and principal debt repayments, which may affect the company's ability to meet its obligations on their specified dates, especially in the event that expected cash flows are not realized or the company is exposed to operational pressures or a decline in profit margins. The increase in liabilities may also reflect on the company's ability to comply with certain contractual conditions associated with credit facilities, and in the event of non-compliance with those conditions, this may result in claims for early repayment or the imposition of more stringent financing conditions, which could adversely affect the financial position of the company **(for further information, please see paragraph (2.1.19) "Risks related to non-compliance with loan and credit facility commitments" of this section).** The following table shows the details of the company's capital structure as of 31 December 2022G, 2023G, and 2024G, and for the financial period ended 30 September 2025G:

Table (21): Capital Structure

Item	2022G	2023G	2024G	September 30, 2025G
Debt to total capital	69.8%	73.2%	81.8%	81.3%
Equity to total capital	30.2%	26.8%	18.2%	18.7%

Source: The Company

As illustrated in the table above, the company's capital structure relies heavily on debt, as it represented 69.8%, 73.2%, 81.8%, and 81.3% of the company's total capital as of 31 December 2022G, 2023G, and 2024G, and for the financial period ended 30 September 2025G, respectively. This increase reflects a growing reliance on debt financing to finance the company's operational activities; conversely, the share of equity decreased from 30.2% as of 31 December 2022G to 18.7% as of the financial period ended 30 September 2025G of the company's total capital, indicating a decreased ability to face financial difficulties.

It is worth noting the presence of a material uncertainty as of the company's financial statements for the year ended 31 December 2024G related to going concern, which reflects the impact of the high level of liabilities on the company's financial performance and includes the increase in accumulated losses, the decline in revenues and profitability, as well as the decrease in the debt service coverage ratio.

Therefore, any continued increase in the level of liabilities without achieving balanced growth in equity or operating profits could have a significant negative impact on the company's financial solvency and its ability to expand and sustain its business.

2-1-17 Risks related to the cost of financing

The company may need to secure financing and bank facilities to fund its future expansion plans. Obtaining this financing depends on the company's capital, financial position, cash flow, collateral, and credit history, which carries the risk of default. If the company defaults, this could negatively impact its operations, especially given the current liquidity crisis.

The company's total outstanding debt, including items of a financing nature, decreased from 209,995 thousand Saudi Riyals in the financial year 2022G to 159,524.0 thousand Saudi Riyals in the financial year 2024G, and then to 127,888.0 thousand Saudi Riyals in the nine months of the financial year 2025G. However, the cost of debt as a percentage of total debt increased from 1.4% in the financial year 2022G to 5.3% in the nine months of the financial year 2025G, and debt as a percentage of revenues also increased from 2.7% in the financial year 2022G to 11.8% in the nine months of the financial year 2025G. The following table shows the details of outstanding debt, the ratio of the cost of debt to both total debt and revenues, and the interest coverage ratio during the financial years ended 31 December 2022G, 2023G, and 2024G, and the nine-month period ended 30 September 2025G:

Table (22): Financing Costs

Thousand Saudi Riyals	2022G	2023G	2024G	September 30, 2025G
Outstanding debt	209,995.0	183,555.0	159,524.0	127,888.0
Financing costs excluding other items	6,173.8	10,096.9	13,295.0	7,098.6
Financing costs as a percentage of total debt	1.4%	4.4%	7.7%	5.3%
Cost of debt as a percentage of revenue	2.7%	4.3%	7.2%	11.8%
Interest coverage ratio (Times)	4.5	2.7	(1.8)	(0.2)

Source: The Company

As illustrated in the table above, finance costs increased from 6,173.8 thousand Saudi Riyals in the financial year 2022G to 13,295.0 thousand Saudi Riyals in the financial year 2024G despite lowering the outstanding debt levels. The cost of financing as a percentage of total debt also increased during the referred periods as a result of restructuring financing facilities at higher rates, in addition to the increase in the cost of financing as a percentage of revenues, reflecting the consumption of an increasing portion of revenues and reducing the company's ability to reinvest in operations, meet working capital requirements, or finance capital expenditures for growth. Accordingly, the interest coverage ratio decreased from 4.5 times in the financial year 2022G to negative levels in the financial year 2024G and the first nine months of the financial year 2025G, indicating that operating profits were insufficient to cover interest obligations during those periods.

Despite the decrease in declared debt, net debt remained high due to the presence of debt-like items, including end-of-service benefits, zakat, and lease liabilities, which added to the declared liabilities in the financial year 2022G end-of-service benefits with a value of 22,680 thousand Saudi Riyals, lease liabilities of 10,426 thousand Saudi Riyals, and zakat with a value of 6,779 thousand Saudi Riyals; and to the declared liabilities in the financial year 2023G, end-of-service benefits with a value of 23,846 thousand Saudi Riyals, lease liabilities of 10,211 thousand Saudi Riyals, and zakat with a value of 31,852 thousand Saudi Riyals; and to the declared liabilities in the financial year 2024G end-of-service benefits with a value of 22,260 thousand Saudi Riyals, lease liabilities of 7,163 thousand Saudi Riyals, and zakat with a value of 28,654 thousand Saudi Riyals; and to the declared liabilities in the period ended September 2025G end-of-service benefits with a value of 20,359 thousand Saudi Riyals, lease liabilities of 5,269 thousand Saudi

Riyals, and zakat with a value of 19,238 thousand Saudi Riyals. As a result, net debt and debt-like items amounted to approximately 243,444 thousand Saudi Riyals, 246,044 thousand Saudi Riyals, 214,795 thousand Saudi Riyals, and 170,624 thousand Saudi Riyals during the financial years ended 31 December 2022G, 2023G, and 2024G, and the nine-month period ended 30 September 2025G, respectively, illustrating that the decrease in declared debt was not fully reflected in easing financial pressures. Despite the decrease in net debt, the continued presence of debt-like items and the low available cash liquidity restrict the company's financial flexibility, making it more vulnerable to liquidity pressures and limiting its ability to absorb financial or operational shocks without a sustainable improvement in operational cash flows or enhancing the financial capacity and financial solvency of the company.

The continued increase in finance costs compared to profitability levels and operational cash flows, along with net debt and items of a financing nature remaining at relatively high levels, may lead to increasing pressures on the company's liquidity and financial flexibility. In the event that a sustainable improvement in operational cash flows or the ability to manage the debt structure efficiently is not realized, the company may face difficulties in meeting its financing obligations on their dates or in obtaining additional financing on appropriate terms, which could have an adverse and material effect on the company's business, results of operations, financial position, and future prospects.

2-1-18 Risks related to sources of funding

The company may need to obtain financing and bank facilities to finance its future expansion plans, and obtaining financing depends on the company's capital, financial position, cash flows, guarantees provided by it, and its credit history. The company and its subsidiaries may not be able to obtain appropriate financing if the need arises; therefore, the company's inability to obtain the financing it needs from funding entities, or financing on acceptable preferential terms that suit the company, will have an adverse effect on the company's performance, operational activities, and future plans.

The company obtained credit and banking facilities to finance the production cycle and restructure letters of credit. The company has entered into a credit facilities agreement with a number of local banks, where the total outstanding debt on it from these agreements amounted to (116,389,042.18) Saudi Riyals, and with the National Development Fund, where the total outstanding debt on it from this agreement amounted to (11,498,804) Saudi Riyals as of 30 September 2025G. The following table shows a summary of loans and credit facilities as of 30 September 2025G:

Table (23): Summary of Loans and Credit Facilities

Financing entity	Date of the agreement	Expiration date of the facilities	Credit limit value (Saudi Riyals)	Amounts used*	Amounts paid*	Balance as of 30/09/2025G
Saudi National Bank	17/05/2024G	31/12/2025G	23,635,727.24	23,008,869.24	11,418,393.96	11,590,475.28
Al Rajhi Bank	27/06/2024G	11/06/2027G	15,000,000.00	14,828,553.83	4,801,340.06	10,027,213.77
Riyad Bank	28/05/2024G	14/07/2031G	106,943,000.00	106,943,000.00	12,171,646.87	94,771,353.13
National Development Fund*	01/06/2022G	15/04/2027G	36,442,418.00	14,998,804.00	3,500,000.00	11,498,804.00

Source: The Company

*It is worth noting that the loan agreement was initially entered into with the Ministry of Finance, and on 04/12/1444H (corresponding to 22/06/2023G), the National Debt Management Center informed the company that the National Development Fund had replaced the Ministry of Finance in the loan agreement in its capacity as the (Lender), and accordingly, all outstanding and future assets, documents, guarantees, rights, and obligations under the agreement with the Ministry of Finance were transferred to the National Development Fund.

The conditions of the existing facilities limit the company's ability to perform certain types of actions, which include, by way of example but not limitation: restrictions on the disposal of assets, dividend distribution, and changes in the capital structure, in addition to compliance with specified financial ratios. The company has provided guarantees such as corporate guarantees and promissory notes in favor of the funding entity as security for the granted facilities **(for further details, please review sub-paragraph No. (9.7.4) "Credit Facilities and Loans" of Section (9) "Legal Information" of this Prospectus).** The following table shows the details of the guarantees granted to the funding entities by the company:

Table (24): Guarantees granted to financing entities

Funding entity	Guarantees
Saudi National Bank	◆ A promissory note dated 17/04/2024G for the amount of (25,999,299.96) Saudi Riyals, signed by the company. ◆ Statement of obligations dated: 23/11/2023G. Approved by the company on 17/04/2023G. ◆ A declaration and undertaking issued by Mr. Waiel Saad Al Rashid in his capacity as authorized signatory for the company, acknowledging that the company has obtained facilities worth 23,635,727.24 Saudi Riyals from the Saudi National Bank. ◆ The agreement's annex includes a statement of the facilities and their details.
Al Rajhi Bank	◆ A corporate guarantee in favor of Al Rajhi Banking and Investment Corporation dated 21/12/1445H (corresponding to 27/06/2024G) signed by Jeddah Industrial Yarn Factory, a branch of Naseej International Trading Company, binding them to guarantee the credit facilities with a value of (15,000,000) Saudi Riyals entered into between Al Rajhi Bank and Naseej International Trading Company. ◆ A corporate guarantee in favor of Al Rajhi Banking and Investment Corporation dated 21/12/1445H (corresponding to 27/06/2024G) signed by Al-Sorayai Carpet Factory, a branch of Naseej International Trading Company, binding them to guarantee the credit facilities with a value of (15,000,000) Saudi Riyals entered into between Al Rajhi Bank and Naseej International Trading Company. ◆ A corporate guarantee in favor of Al Rajhi Banking and Investment Corporation dated 21/12/1445H (corresponding to 27/06/2024G) signed by The Home Styles Company Limited, binding them to guarantee the credit facilities with a value of (15,000,000) Saudi Riyals entered into between Al Rajhi Bank and Naseej International Trading Company. ◆ A corporate guarantee in favor of Al Rajhi Banking and Investment Corporation dated 21/12/1445H (corresponding to 27/06/2024G) signed by Al-Sorayai Company for Operation and Maintenance Limited, binding them to guarantee the credit facilities with a value of (15,000,000) Saudi Riyals entered into between Al Rajhi Bank and Naseej International Trading Company. ◆ A corporate guarantee in favor of Al Rajhi Banking and Investment Corporation dated 21/12/1445H (corresponding to 27/06/2024G) signed by Al-Sorayai Projects Company, binding them to guarantee the credit facilities with a value of (15,000,000) Saudi Riyals entered into between Al Rajhi Bank and Naseej International Trading Company.
Riyad Bank	◆ A promissory note issued by Naseej International Trading Company on 20/11/1445H (corresponding to 28/05/2024G) for the amount of 135,000,000 Saudi Riyals in favor of Riyad Bank.

Source: The Company

Furthermore, the funding entity may request other guarantees against the credit facilities which the company may not be able to provide, which will place the company in a state of breach of or non-compliance with the terms of the agreement. If the company is unable to meet its repayment obligations incurred under the credit facilities agreement, or is unable to provide any other guarantees that may be requested by the funding entities, or if it breaches in the future any of the obligations or covenants related to the debt incurred by it (as of the date of this Prospectus, the company did not comply with some covenants related to existing loans with various banks. The management is conducting discussions with these financial institutions regarding obtaining a waiver. Accordingly, these loans were not classified as liabilities payable on demand as of 30 September 2025G; this is because those financial institutions did not notify the company of terminating the agreements or activating the immediate repayment clause for the entire debt as a result of the breach, and there is also no assurance that the company will obtain this waiver for future periods under the agreement). The funding entity may demand immediate repayment of the debt and liquidate the guarantees provided by the company. In this case, the company may not be able to obtain sufficient alternative financing sources to meet the debt repayment, and any of these factors would have an adverse and material effect on its business, financial position, and future prospects.

2-1-19 Risks related to non-compliance with loan and credit facility commitments

The company's capital structure relies heavily on debt, as it represented 69.8%, 73.2%, 81.8%, and 81.3% of the company's total capital as of 31 December 2022G, 2023G, and 2024G, and for the financial period ended 30 September 2025G, respectively. This increase reflects a growing reliance on debt financing to finance the company's operational activities, which may limit the company's financial flexibility and its ability to face any operational pressures or fluctuations in cash flows. The following table shows the outstanding balances due to funding entities as of 30 September 2025G:

Table (25): Outstanding balances due to funding entities

Funding entity	Amount (Thousand Saudi Riyals)
Saudi National Bank	11,590
Al Rajhi Bank	10,027
Riyad Bank	94,772
National Development Fund*	11,499
Total	**127,888**

Source: The Company

*It is worth noting that the loan agreement was initially entered into with the Ministry of Finance, and on 04/12/1444H (corresponding to 22/06/2023G), the National Debt Management Center informed the company that the National Development Fund had replaced the Ministry of Finance in the loan agreement in its capacity as the (Lender), and accordingly, all outstanding and future assets, documents, guarantees, rights, and obligations under the agreement with the Ministry of Finance were transferred to the National Development Fund.

Some of these loan and facility agreements include specified maturity dates that the company must meet upon their fall due, and they also include financial and operational covenants that the company is committed to maintaining throughout the financing term. The company has breached some covenants related to existing loans, particularly regarding existing loans with the Saudi National Bank, as the financial leverage ratio or debt ratio exceeded the prescribed limits during some periods (including the period ended 30 September 2025G), reflecting an increased reliance on debt financing and a cumulative decline in equity, as well as the inventory turnover days exceeding the limit prescribed by the Saudi National Bank during some periods, which may indicate slow inventory turnover and a decrease in operational efficiency. The following table shows compliance with the financial covenants of loans and facilities as of 31 December 2022G, 2023G, and 2024G, and for the financial period ended 30 September 2025G, respectively:

Table (26): Loans and borrowing – obligation status

Loans and borrowing – obligation status					
Funding entity	**Unit**	**2022G**	**2023G**	**2024G**	**September 30, 2025G**
Saudi National Bank					
The liquidity ratio should not be less than 1	Ratio	1.8	1.2	1.2	1.0
The financial leverage should be between 1 and 2.5	Ratio	2.3	2.7	4.5	4.4
The inventory turnover should not exceed 270 days	Day	272.8	276.0	236.1	424.5
Saudi Industrial Development Fund					
Minimum liquidity ratio	Ratio	1.8	1.2	1.2	*
The ratio of total liabilities to net tangible assets should be between 1 and 3	Ratio	0.8	0.8	0.9	*

Source: The Company

*The loan has been fully repaid.

These breaches are mainly due to accumulated losses, the decline in equity, and operational restrictions, as the company did not comply with some financial covenants associated with the Saudi National Bank loan as of 30 September 2025G, represented by exceeding the maximum financial leverage ratio to reach (4.4) against the target ratio ranging between (1) and (2.5), in addition to the inventory turnover days exceeding to (424.5) days while the stipulated ratio must not exceed (270) days.

This may expose the company to the possibility of funding entities taking actions against it or imposing restrictions on its operations **(for further details, please review sub-paragraph No. (9.7.4) "Credit Facilities and Loans" of Section (9) "Legal Information" of this Prospectus)**. In general, the company faces risks associated with financial covenants that require active monitoring and taking measures to mitigate these risks.

The company's non-compliance with the covenants stipulated in the loan and facility agreements may prompt the funding or lending entity to accelerate the maturities and oblige the company to pay the loan amount in a single installment, impose additional more stringent conditions, restrict the company's ability to draw from or renew the facilities, oblige it to provide additional guarantees, or raise financing costs. Any of this could result in an adverse and material effect on the company's liquidity, cash flows, its ability to finance its current operations, meet its obligations on their due dates, and continue executing its operational plans.

It is worth noting that the Ministry of Finance loan was scheduled to be repaid in installments by December 2023G; however, an outstanding amount of 11.5 million Saudi Riyals remains until September 2025G. Although the Ministry of Finance has not taken any action to date, the continuation of this balance without settlement may expose the company to additional risks in the event that it is demanded to repay or if regulatory actions are taken in the future. It is worth noting that on 04/12/1444H (corresponding to 22/06/2023G), the National Debt Management Center informed the company that the National Development Fund had replaced the Ministry of Finance in the loan agreement in its capacity as the (Lender), and accordingly, all outstanding and future assets, documents, guarantees, rights, and obligations under the agreement with the Ministry of Finance were transferred to the National Development Fund.

Based on the foregoing, the realization of any of these risks described above may lead to a material deterioration in the company's financial position, results of operations, and cash flows, as well as its ability to continue obtaining financing on appropriate terms, and may adversely affect its business and future prospects.

2-1-20 Risks related to related party transactions

In the ordinary course of its business, the company transactions with a number of related parties, including companies where some board members are also members of their boards of directors. Transactions with related parties are proven and recorded in the financial statements in accordance with International Financial Reporting Standards and the standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants, as applicable. The total transactions with related parties amounted to (22,480,000) Saudi Riyals, (19,239,219) Saudi Riyals, (11,225,504) Saudi Riyals, and (3,954,000) Saudi Riyals as of 31 December 2022G, 2023G, 2024G, and the nine-month period ended 30 September 2025G, respectively, while the total amount due to related parties amounted to (6,295,000) Saudi Riyals, (7,575,000) Saudi Riyals, (5,808,000) Saudi Riyals, and (4,161,000) Saudi Riyals as of 31 December 2022G, 2023G, 2024G, and the nine-month period ended 30 September 2025G, respectively, which represent 4.88%, 4.16%, 4.53%, and 3.95% of total current liabilities. The following table shows the details of transactions with related parties as of 31 December 2022G, 2023G, 2024G, and the nine-month period ended 30 September 2025G, respectively:

Table (27): Related Party Transactions for 2022G

Related Party	Nature of the relationship	Nature of the interest (direct or indirect)	Nature of transactions	Balance as of 2022G (Thousand Saudi Riyals)
Due to related parties				
Saudi Carpet Supplies Manufacturing Company Limited (Matex)	Affiliated Company	Indirect relationship (Nasser Al-Sorayai) Direct relationship (Monther Al-Sorayai)	Supply of raw materials (internal and external carpet lining)	4,701
Al-Hikma International Real Estate Development Company	Affiliated Company	Indirect relationship (Nasser Al-Sorayai)	Exhibition, warehouse and office lease agreements	201
Al-Sorayai Group for Industrial Investment	Affiliated Company	Direct relationship (Nasser Al-Sorayai) Direct relationship (Monther Al-Sorayai)	Supplying raw materials to factories: glue, cardboard, chemicals, and finished goods (foam, felt)	647
Sanasco Investment Holding Group Company	Affiliated Company	Direct relationship (Saleh Al-Sorayai)	Warehouse rentals	746
Total				**6,295**

Source: The Company

Table (28): : Related Party Transactions for 2023G

Related Party	Nature of the relationship	Nature of the interest (direct or indirect)	Nature of transactions	Balance as of 2023G (Thousand Saudi Riyals)
Due from a related party				
Al-Sorayai Group for Industrial Investment	Affiliated Company	Direct relationship (Nasser Al-Sorayai) Direct relationship (Monther Al-Sorayai)	Supplying raw materials to factories: glue, cardboard, chemicals, and finished goods (foam, felt)	176
Due to related parties				
Saudi Carpet Supplies Manufacturing Company Limited (Matex)	Affiliated Company	Indirect relationship (Nasser Al-Sorayai) Direct relationship (Monther Al-Sorayai)	Supply of raw materials (internal and external carpet lining)	6,570
Al-Hikma International Real Estate Development Company	Affiliated Company	Indirect relationship (Nasser Al-Sorayai)	Exhibition, warehouse and office lease agreements	259
Sanasco Investment Holding Group Company	Affiliated Company	Direct relationship (Saleh Al-Sorayai)	Warehouse rentals	746
Total				**7,575**

Source: The Company

Table (29): Related Party Transactions for 2024G

Related Party	Nature of the relationship	Nature of the interest (direct or indirect)	Nature of transactions	Balance as of 2024G (Thousand Saudi Riyals)
Due to related parties				
Saudi Carpet Supplies Manufacturing Company Limited (Matex)	Affiliated Company	Indirect relationship (Nasser Al-Sorayai) Direct relationship (Monther Al-Sorayai)	Supply of raw materials (internal and external carpet lining)	5,808
Total				**5,808**

Source: The Company

Table (30): Related Party Transactions the period ending September 30, 2025G

Related Party	Nature of the relationship	Nature of the interest (direct or indirect)	Nature of transactions	Balance as of September 30, 2025G (Thousand Saudi Riyals)
Due to related parties				
Saudi Carpet Supplies Manufacturing Company Limited (Matex)	Affiliated Company	Indirect relationship (Nasser Al-Sorayai) Direct relationship (Monther Al-Sorayai)	Supply of raw materials (internal and external carpet lining)	4,161
Total				**4,161**

Source: The Company

The company is committed to disclosure procedures for the General Assembly of shareholders and that all transactions shall be on a purely competitive and commercial basis that ensures the rights of the shareholders, and that such contracts shall be voted upon by the company's General Assembly without the participation of the shareholders who have interests in those contracts. These transactions were presented to the General Assembly held on 14/11/1445H (corresponding to 22/05/2024G) **(for further details, please refer to sub-paragraph No. (9.7.2) "Agreements and Transactions with Related Parties" of Section (9) "Legal Information" of this Prospectus).**

It is worth noting that if contracts and transactions with related parties are not documented pursuant to written agreements, or if they are not entered into on a purely commercial basis, or if transactions with related parties do not obtain the authorization of the General Assembly (in the event that any of the board members has a direct or indirect interest), or if the company is unable to collect these amounts, this would have an adverse and material effect on the company's business, financial position, results of operations, and future prospects. It is worth noting that the company always exerts its best efforts to ensure that transactions with related parties are executed without any preferential terms and conditions. However, there is no assurance that the company can enter into such contracts on better terms with third parties or independent persons. In addition, there is no guarantee that contracts with related parties will be renewed upon their expiration, as the company's board of directors or the General Assembly of shareholders may not approve them, or the contracting related parties may not agree to renew them based on the terms set by the company. Since the company relies on these transactions with related parties, the failure to renew these contracts on favorable terms could have an adverse material effect on the company's business, results of operations, financial position, and future prospects.

2-1-21 Risks related to lawsuits, claims, arbitration, and administrative proceedings

As of the date of preparation of this Prospectus, the Company is a party to (13) lawsuits (as plaintiff) with estimated claims amounting to (1,818,831.86) Saudi Riyals, noting that these claims are included within the Company's expected credit loss provision amounting to 38.9 million Saudi Riyals as per its financial statements ending 31 December 2025G. The Company is also a party to (27) lawsuits (as defendant) with estimated claims amounting to (2,223,739.43) Saudi Riyals, which represent part of its existing financial obligations consisting of (trade payables amounting to (1,198,752.35) Saudi Riyals, and employee defined benefit obligations amounting to (1,024,987.08) Saudi Riyals in accordance with its financial statements ending 31 December 2025G). It is also noted that the Company has execution requests as "Enforcer" totaling (213) requests amounting to (25,944,933.86) Saudi Riyals, of which (19) requests have been paid in full amounting to (1,410,189.72) Saudi Riyals, while the outstanding unpaid execution requests numbering (194) requests with a total value of (24,534,744.14) Saudi Riyals, of which partial amounts totaling (3,419,614) Saudi Riyals have been collected, and an amount of (21,057,057.80) Saudi Riyals remains under execution and unpaid. **(For further details, please refer to sub-paragraph No. (9.10) "Disputes and Lawsuits" of Section (9) "Legal Information" of this Prospectus)**. These lawsuits are still pending or have been ruled upon but have not acquired finality. The company's failure to set aside sufficient reserves to avert any liability in the event that a judgment is rendered for the full value of each claim individually will place the company before material financial obligations that it may be unable to pay and meet its obligations, which will adversely affect the company's business, future prospects, results of operations, and financial position.

The company remains exposed to lawsuits and complaints by virtue of the nature of its activities and transactions with third parties in the course of exercising its commercial business. These lawsuits may include – but are not limited to – zakat and tax matters, labor cases, and other damages resulting from negligence or fraud by individuals or institutions in a manner that is beyond the company's control. The company is exposed to legal actions being taken against it or being a plaintiff party in any of the lawsuits or proceedings. Therefore, the company cannot accurately predict the volume of the cost of lawsuits or judicial proceedings filed or that may be filed against it or filed by it, or the final results of those lawsuits or the judgments rendered therein and the compensation and penalties they entail. Consequently, any negative results of such cases may adversely affect the company and the results of its operations. It is worth noting that regardless of the results of these cases, lawsuits, or proceedings, the company may be forced to incur high costs and allocate resources to them during their course, which will have an adverse and material effect on its business, financial position, results of operations, and future prospects.

2-1-22 Risks related to zakat and tax obligations

The Company, like other registered and operating establishments in the Kingdom of Saudi Arabia, is subject to the provisions of the Zakat and Income Tax Regulation, the Value Added Tax Regulation, and their implementing regulations, and is obligated to submit its zakat and tax returns within (120) days from the end of the fiscal year for the purpose of renewing the zakat certificate issued by the Zakat, Tax and Customs Authority, which enables the Company to complete its official transactions, including the disbursement of its final entitlements under contracts.

The Company is registered with the Zakat, Tax and Customs Authority under the distinguished number 3002274598, and has submitted its zakat return for the fiscal year ending in 2024G, and has obtained a valid zakat certificate expiring on 30/04/2026G. The Company is also compliant with the Value Added Tax Regulation.

The Company has settled its zakat status with the Zakat, Tax and Customs Authority up to the year 2016G, and the Company was subject to zakat assessments for the years from 2017G to 2020G, resulting in zakat differences with a total value of (30,545,689) Saudi Riyals; (22,408,338) Saudi Riyals for the years 2017G - 2018G, and an amount of (8,137,351) Saudi Riyals for the years 2019G - 2020G. The Company has entered into agreements with the Zakat, Tax and Customs Authority to pay these dues in installments, whereby the monthly installment under the first agreement amounted to 622,453 Saudi Riyals per month over a period of (36) months for the years 2017G and 2018G, of which 9,336,795 Saudi Riyals have been paid and the remaining balance amounted to 13,071,513 Saudi Riyals as of the end of December 2025G. The monthly installment under the second agreement amounted to 339,056 Saudi Riyals for the years 2019G and 2020G over a period of (24) months, of which 3,729,616 Saudi Riyals have been paid and the remaining balance amounted to 4,407,735 Saudi Riyals as of the end of December 2025G, provided that any delay in paying two consecutive installments shall result in the entire remaining balance becoming due in full at once. It is also worth noting that the Company has established a provision for these zakat assessments amounting to 19,341 thousand Saudi Riyals as of 31 December 2025G.

In addition to the foregoing, a zakat assessment was issued against the Company for the year 2021G in the amount of 1.96 million Saudi Riyals, and the Company has paid this amount. The Company was also examined for the years 2022G and 2023G, and those examinations did not result in any additional zakat adjustments, while the assessment for the year 2024G has not been finalized to date.

Although the Company has entered into installment plans with the Zakat, Tax and Customs Authority for the years 2017G to 2020G, there is nothing to confirm the Company's ability to fully comply with the current payment plans, and there is nothing to guarantee that the Company will not be subject to additional examination for the year 2024G or subsequent years resulting in additional zakat differences.

Regarding the subsidiaries, the Company's subsidiary, Al-Sorayai Projects Company Limited, has submitted its zakat returns with the Zakat, Tax and Customs Authority up to the year 2024G, and all returns submitted for those periods are still under review by the Authority.

Regarding the Company's subsidiary, Al-Sorayai Company for Operation and Maintenance Limited, it has submitted its zakat returns from the date of its commercial registration up to the year 2024G, and all returns submitted for those periods are still under review by the Authority. As for the Company's subsidiary, The Home Styles Company Limited, the Company has settled its zakat status with the Authority up to the year 2011G. The Company received a zakat assessment for the year 2012G in the amount of 245.0 thousand Saudi Riyals, and the Company has filed an objection to this assessment which is still pending. The Company has also submitted its zakat returns for the years 2012G to 2017G, and these returns are still under review by the Authority. A further zakat assessment was also issued against it in the amount of 119.6 million Saudi Riyals for the year 2018G, and the Company has filed an objection to it which is still pending before the Authority. The Company has also submitted its zakat returns for the years 2019G to 2024G with the Authority with no zakat obligations, and these are still under review.

In the event that the Company fails to pay any two consecutive installments, the Authority shall have the right to accelerate the maturity dates and demand payment of the entire remaining balance in a single installment, which may have a material adverse effect on the Company's liquidity, cash flows and financial position, and may result in its inability to renew the zakat certificate within the statutory deadlines, which may limit its ability to enter into, execute or complete its contracts, or disburse its final entitlements, and may adversely affect its business, operational results and future prospects.

2-1-23 Risks related to fixed assets

The Company's activity depends primarily on its ability to operate its factories efficiently, and it faces risks associated with the obsolescence of fixed assets. The net book value of fixed assets amounted to approximately 20% of their historical cost, indicating that approximately 80% of the economic life of the assets has already been depreciated, which indicates that the fixed asset base is relatively old and may require ongoing maintenance or subsequent capital expenditures to maintain the current production capacity and operational efficiency in the future. It is worth noting that a technical assessment of the plant and machinery was conducted, and despite their continued operation at present, their accumulated depreciation reached 79.4%, indicating their obsolescence and their having reached advanced stages of their economic life, the need for ongoing maintenance or subsequent capital expenditures remains in order to ensure operational continuity and future efficiency. There is nothing to guarantee the preservation of this future efficiency given this obsolescence, and the following table shows the net book value as a percentage of cost as of 31 December 2022G, 2023G and 2024G and the six-month period ending 30 September 2025G:

Table (31): Fixed Asset Costs and Accumulated Depreciation

Net book value as a percentage of cost %	2022G	2023G	2024G	September 30, 2025G
Plant and equipment	21.4%	20.5%	19.8%	20.6%
Properties	23.2%	20.9%	18.9%	15.4%
Decorations, furniture, and equipment	2.6%	2.2%	1.7%	1.1%
Cars	0.4%	0.5%	0.4%	0.4%
Total	**19.3%**	**18.7%**	**17.7%**	**17.4%**

Source: The Company

Although the Company conducted a valuation of the factory and plant assets dated 10/03/2025G, whereby these assets were valued at 139.9 million Saudi Riyals, while their book value as of 31 December 2024G amounted to 98.4 million Saudi Riyals and no impairment losses were recorded as a result, the continued operation at levels below the designed capacity indicates the existence of risks that these assets may not generate the expected economic benefits in the future. The continued underutilization of production capacities may lead to the need to conduct impairment tests, and the potential consequent recognition of impairment losses, which may have a material adverse effect on the Company's business results and financial position.

It is also worth noting that the Company's ability to finance periodic maintenance works or execute future capital expenditures may be affected by liquidity pressures **(for further details, please refer to sub-paragraph No. (2.1.8) "Risks related to liquidity" of this section).** Available cash recorded a gradual decline from 6.44 million Saudi Riyals as of 31 December 2022G to 2.13 million Saudi Riyals as of 30 September 2025G, and operating cash flow before changes in working capital continued to record negative values during the same period, which may limit the Company's ability to carry out essential maintenance works or necessary capital upgrades.

Although plant is depreciated using the units of production method, the continued operation at levels below the installed capacity indicates that the assets may not generate the expected future economic benefits, and this is considered a potential indicator of impairment in accordance with International Accounting Standard IAS 36, which necessitates the assessment of the recoverable amount at the cash-generating unit level and the reconsideration of key assumptions, including expected production volume, capacity utilization and the remaining useful life of the asset. Although low utilization does not automatically imply impairment, it illustrates the existence of potential risks that the assets may not support the planned operational and financial objectives without taking corrective measures.

It is worth noting that the Company engaged a specialized asset valuation company to conduct an assessment of the plant and machinery, and the report dated 10/03/2025G indicated that the assets are operating efficiently and valued them at 139.9 million Saudi Riyals.

The Company faces challenges related to its ability to finance periodic maintenance works or execute future capital expenditures, amid liquidity pressures **(for further details, please refer to sub-paragraph No. (2.1.8) "Risks related to liquidity" of this section).** Available cash recorded a gradual decline from 6.44 million Saudi Riyals as of 31 December 2022G to 2.13 million Saudi Riyals as of 30 September 2025G, and operating cash flow before changes in working capital continued to record negative values during the same period. Operating cash flow for the fiscal year ending 31 December 2024G was driven by unsustainable factors, such as inventory reduction of 51.3 million Saudi Riyals and collection of receivables **(for further details, please refer to sub-paragraph No. (2.1.11) "Risks related to inventory Decrease" of this section)**. During the first nine months of fiscal year 2025G, net cash flows resulting from changes in working capital items amounted to 37.8 million Saudi Riyals, and one-time proceeds from asset sales amounted to 30.0 million Saudi Riyals, yet liquidity remains limited and operating cash flows before changes in working capital remain negative, reflecting the continued pressures on the Company's ability to meet operating expenses and working capital needs.

The obsolescence of fixed assets entails several risks, including breakdowns in production lines or key equipment, particularly as some machinery has exceeded 20 years of age and remains in use. The Company relies on its spare parts inventory for periodic maintenance works, however any future shortage in this inventory may lead to difficulties in the availability of necessary parts, which poses a direct risk to the operational continuity of this machinery, which in turn will have a material adverse effect on the Company's business, its subsidiaries, its operational results and future prospects.

2-1-24 Risks related to currency volatility – hedging

Hedging is one of the financial instruments that helps the Company reduce financial risks and maintain financial stability, and aims for example but not limited to fixing future prices or values against market fluctuations, protecting cash flows to cover expenses, improving financial planning and profitability, and limiting unrealized losses resulting from any sudden change in currency or commodity prices.

The Company used derivative financial instruments, including forward contracts to protect cash flows to cover its expenses, and the Company recorded gains from the change in the fair value of derivative financial instruments amounting to (1,261) thousand Saudi Riyals as of 31 December 2022G, while it recorded losses from the change in the fair value of derivative financial instruments amounting to (181) thousand Saudi Riyals as of 31 December 2023G.

It is worth noting that the Company ceased using derivative financial instruments as of 31 December 2024G and 30 June 2025G, and the Company no longer practices hedging in the current period, and there is nothing to guarantee that the Company will not enter into such instruments in the future. Financial hedging entails high risks and requires specialized management to ensure the achievement of the desired objectives without incurring unexpected losses. Any ill-considered use of financial derivatives or use by unqualified persons may lead to financial losses that adversely affect the Company's cash flows, profitability, operational results and future prospects.

2-1-25 Risks related to the company's entry into the real estate sector

Naseej International Trading Company plans to enter a new sector represented in real estate investment and development, by investing an amount of (35 million Saudi Riyals) from the offering proceeds **(for further details, please refer to sub-paragraph No. (6.2) "Use of Net Offering Proceeds" of Section (6) "Use of the Offering Proceeds and Future Projects" of this Prospectus).**

In this context, the company's plans may include establishing subsidiaries, entering into partnerships, or making acquisitions in the fields of real estate development or the ownership and management of real estate assets, subject to obtaining the necessary approvals and licenses from the relevant authorities and in accordance with applicable regulations. This approach aligns with the company's strategy to expand its investment activities and enhance its financial sustainability.

This trend comes in light of economic indicators that point to the growth of the real estate sector in the Kingdom, its increased contribution to the gross domestic product, and the increasing volume of real estate transactions and building permits during recent years.

Nevertheless, and despite the positive nature of these economic indicators, they do not constitute a guarantee of the Company's success in this sector, particularly given that real estate development and investment is a new activity for the Company in which it has no prior direct operational experience. The Company's success in this field depends substantially on its ability to select appropriate investment opportunities, manage real estate projects efficiently, obtain the necessary approvals and licenses in a timely manner, and build the necessary human and technical capabilities for this activity.

The potential risks associated with entering the real estate sector encompass a number of aspects, among them operational risks, regulatory and legal risks, risks associated with real estate market fluctuations, risks related to development and execution costs, in addition to strategic risks associated with entering a new sector.

Accordingly, any failure by the Company to implement its investment strategy in the real estate sector or to achieve the targeted returns from these investments, despite the positive market indicators, may lead to the non-achievement of the planned objectives and may have a material adverse effect on the Company's business, financial results, cash flows, financial position and future prospects.

It should also be noted that, as at the date of this Prospectus, the Company does not have a dedicated investment committee responsible for reviewing, evaluating and monitoring investment opportunities, including real estate investments. Accordingly, decisions relating to the utilisation of the SAR 35 million allocated from the Offering Proceeds for real estate investment, or to entering into any other investments, will be subject to the discretion and decisions of the Board of Directors in accordance with the powers vested in it.

The absence of a dedicated investment committee may increase the risk that investment opportunities are not subject to adequate review and independent assessment, that the timing, size or structure of an investment may not be appropriate in light of the Company's financial and operational position, or that the monitoring of investment performance and the management of associated risks may be insufficient. In addition, the concentration of investment decision-making authority with the Board of Directors may result in delays in decision-making. This may lead to the Company allocating its funds to investments that fail to generate the targeted returns or that expose the Company to losses or additional liabilities, which could have a material adverse effect on the Company's business, financial results, cash flows, financial position and future prospects.

2-1-26 Risks related to the company's reliance on senior management and key employees

The Company's success and operational activities depend on the expertise and capabilities of its administrative and technical personnel, including senior executives and qualified employees, in addition to its ability to attract, employ, develop, motivate and retain qualified employees in the future. The Company relies on a number of key employees in its executive management team who possess valuable experience in the industrial sector and have contributed significantly to the development and growth of the Company's operations. The Company does not guarantee its ability to retain its qualified employees or continue to develop their skills or attract new qualified employees. Therefore, the loss of any of the Company's senior executives and other key employees and its inability to employ a replacement of the same level, experience and skill at an appropriate cost to the Company, will have an adverse effect on the Company's business, its subsidiaries, its financial position, operational results and future prospects.

2-1-27 Risks related to violating labor law regulations

The Labor Law and its implementing regulations require all employers to have a written employment contract with any worker in at least two copies, as well as to electronically document employment contracts in accordance with the mechanism approved by the Ministry and pursuant to the decision of the Minister of Human Resources and Social Development No. (75506) dated 05/05/1444H (corresponding to 29/11/2022G). As of the date of this Prospectus, the Company is partially compliant with the documentation of employee contracts, with the compliance rate for December 2025G reaching (88)%, and therefore some employment contracts have not been documented through the (Qiwa) platform. Non-compliance by any establishment with contract documentation shall be considered a violation of the Labor Law and its implementing regulations and will expose the Company to a fine penalty of one thousand (1,000) Saudi Riyals for each employee whose contract has not been documented, multiplied by the number of violating workers, in accordance with the violations and penalties schedule issued pursuant to Ministerial Decision No. (75913) dated 19/05/1445H (corresponding to 03/12/2023G) for companies (classified under category (A) with (50) or more workers), which may adversely affect the Company's business, operational results and financial position.

There is also a clear discrepancy between the number of employees registered with government departments and the company's internal information. This discrepancy may involve violations of the labor law, its executive regulations, and the residency system, which may expose the company to the penalties and fines stipulated in the aforementioned regulations.

The Labor Law and its implementing regulations, particularly Articles Twelve (12) and Thirteen (13) thereof, require every employer to prepare a work organization bylaw for its establishment in accordance with the form prepared by the Ministry, and the employer must announce the work organization bylaw and any amendments thereto in a visible place in the establishment or any other means that ensures those subject to it are aware of its provisions. As of the date of this Prospectus, the Company and its subsidiaries have an internal work organization bylaw, however it has not been approved by the Ministry of Human Resources and Social Development. Non-compliance by any establishment with the approval of the work organization bylaw or its announcement by any means that ensures those subject to it are aware thereof shall be considered a violation of the Labor Law and its implementing regulations and will expose the Company to a fine penalty of one thousand (1,000) Saudi Riyals in accordance with the violations and penalties schedule issued pursuant to Ministerial Decision No. (75913) dated 19/05/1445H (corresponding to 03/12/2023G) for companies (classified under category (A) with (50) or more workers). The Company cannot guarantee the avoidance of employee misconduct or errors such as fraud, intentional mistakes, embezzlement, deception, theft, forgery, misuse of its assets and acting on its behalf without obtaining the required administrative authorizations, and consequently such actions may result in consequences and liabilities borne by the Company, or regulatory penalties, or financial liability, which may adversely affect the Group's business, reputation and financial position.

As of the date of this Prospectus and in accordance with the debt certificates of the Company and its branches, there are outstanding debts from violations, active settlement cases and work permits amounting to a total value of (84,100) Saudi Riyals that have not been paid. The debt certificate reveals the debts owed by the Company resulting from violations and work permit arrears, which indicate the existence of violations of the Labor Law and its implementing regulations and the instructions and decisions of the Ministry of Human Resources and Social Development. Non-payment of the value of the violations specified in the debt certificate by the due date may lead to the imposition of delay penalties and the multiplication of these fines, and may reach the suspension of some services of the Ministry of Human Resources and Social Development from the Company and other government entities, which has led to the Company's inability to renew the social insurance subscription certificates for the Company and some of its branches, which may adversely affect the Company's operational and financial position.

2-1-28 Risks related to Saudization requirements

Compliance with Saudization requirements is a regulatory requirement in the Kingdom, whereby all companies operating in the Kingdom are obligated to employ a certain percentage of Saudi employees among their total workforce and maintain that percentage. In accordance with the Nitaqat program issued by the Ministry of Labor and Social Development, the localization rate as of the date of this Prospectus reached (25.5%) and is classified within the low green - medium band (category C) of the Nitaqat program. Although the Company is currently compliant with the required localization ratios, the employment of any number of non-Saudi workers, or a reduction in the number of Saudi workers, or the failure to employ more Saudis, or the regulatory authorities may impose localization requirements such that the Company cannot guarantee its ability to comply with and meet the new requirements. Any of these cases may lead to a decline in the Saudization ratio such that the Company becomes classified in a lower band (the red band), with the consequent deprivation of the Company from benefiting from the advantages granted by the current Nitaqat program to companies classified in the green band or above, in addition to the imposition of penalties on the Company represented by the prohibition of changing the professions of expatriate workers employed by it, the prohibition of transferring the services of expatriate workers to it, the prohibition of requesting new visas or issuing work permits for new or existing expatriate workers, in addition to financial fines that may be imposed by the competent authorities, which may adversely affect the Company's business, financial position, operational results and prospects. **(For further details, please refer to sub-paragraph No. (9.6.3) "Continuous Obligations According to the Requirements of the Ministry of Human Resources and Social Development" of Section (9) "Legal Information" of this Prospectus).**

2-1-29 Risks related to insufficient insurance coverage

As of the date of this prospectus, the company is committed to entering into a number of insurance policies, such as medical insurance and compulsory vehicle insurance **(for further details please refer to subparagraph (9.9) "Insurance" of section (9) "Legal Information" of this Prospectus).**

The company does not have comprehensive fire insurance for the company and its branches. The inability to obtain or renew such insurance may result in insufficient coverage for any incident, potentially leading to the loss of invested capital in any damaged or destroyed assets, as well as the loss of anticipated future revenue. This could negatively impact the company's financial results and profits. It should be noted that the company operates in the textile industry, which carries a very high risk of fire.

Insurance contracts include deductible amounts and factors excluded from insurance coverage such as natural disasters, in addition to other restrictions related to insurance coverage that are negotiated with insurance companies. The possibility of the Company obtaining the compensation due to it from the relevant insurance company also depends on its financial solvency and ability to fulfill the value of such compensation. Therefore, insurance may not cover all losses that the Company may incur and no guarantee is given that the Company will not incur losses exceeding the limits of the insurance policies or outside the scope of coverage contained in these policies. Situations may arise where the value of the claim exceeds the value of the insurance maintained by the Company, or the compensation claim submitted by the Company to the relevant insurance company may be rejected, or the claim and compensation period may be prolonged. The Company may not have adequate insurance coverage in all cases, and it is possible that future events may occur against which the Company is not insured in a manner that covers potential losses, or may not be insured against at all. There is no guarantee that the Company's insurance contracts will remain available on commercially acceptable terms, or will remain available at all. Any of these events or circumstances, or the occurrence of an uninsured event for the Company, will adversely affect the Company's business, assets, future prospects, operational results and financial position.

2-1-30 Risks related to employee errors or misconduct

The Company is obligated to prepare a work organization bylaw in accordance with the form prepared by the Ministry of Human Resources and Social Development. The Company may include additional terms and conditions in the bylaw, provided they do not conflict with the provisions of the Labor Law, its regulations and its administrative decisions. The Company must announce the work organization bylaw and any amendments thereto in a visible place in the establishment or any other means that ensures those subject to it are aware of its provisions. It is worth noting that the Company has a work organization bylaw approved by a law firm and is currently in the process of obtaining approval from the Ministry of Human Resources and Social Development. Despite this, the Company cannot guarantee the avoidance of employee misconduct or errors such as fraud, intentional or unintentional mistakes, embezzlement, deception, theft, forgery, misuse of its assets and acting on its behalf without obtaining the required administrative authorizations. Consequently, such actions may result in consequences and liabilities borne by the Company, or regulatory penalties, or financial liability, which may have a material adverse effect on the financial position of the Company and its subsidiaries and their operational results.

2-1-31 Risks related to staff reductions and their impact on operational efficiency

Total employee costs increased from 52.84 million Saudi Riyals in fiscal year 2022G to 56.3 million Saudi Riyals in fiscal year 2023G and decreased to 48.5 million Saudi Riyals in fiscal year 2024G, and amounted to 28.54 million Saudi Riyals in the period ending September 2025G, concurrent with a decline in the number of employees on the payroll from 625 employees in fiscal year 2022G to 616 employees in fiscal year 2023G, then to 530 employees in fiscal year 2024G, then to 455 employees at the end of the period ending September 2025G, representing a decline of approximately 15% of the total workforce during the periods referred to above. This decline may reflect the Company's adoption of cost reduction measures through reducing employee numbers, whether by terminating the services of some employees or not replacing those who resigned, which may result in operational pressures in the event that human resources are not redistributed appropriately. Although management carefully reviews workforce reduction decisions, any misalignment in the distribution of employees across core functions may lead to a decline in production capacity, slowness in inventory management, or delays in fulfilling customer orders.

In the event that the reduction in employee numbers continues or appropriate corrective measures are not taken, the Company may face operational bottlenecks that affect product quality and service levels, which may negatively reflect on the Company's reputation, market share and business results. The potential need for targeted recruitment or the engagement of temporary employees to fill critical positions may also lead to an increase in operational costs in the future, which may adversely affect the Company's profit margins and financial performance.

2-1-32 Risks related to future energy price increases

The Company's sales and profitability depend directly on two main elements, namely energy product prices and raw material prices, which are difficult for the Company to predict, particularly with recent government decisions that included increases in energy product prices with no clear visibility on the possibility of further increases in the future. Fuel and energy expenses represented 5.1%, 6.0%, 5.1% and 12.0% of total cost of sales as of 31 December 2022G, 2023G, 2024G and for the financial period ending 30 September 2025G respectively. In addition to the fluctuation of raw material prices, which are linked to global oil price fluctuations **(for further details, please refer to risk No. (2.1.9) " Risks related to the availability and price fluctuations of key raw materials" of sub-paragraph 2-1 of Section 2 "Risk Factors")**, the Company's performance depends on its ability to incorporate these cost changes into product selling prices. In the event that the Company is unable to do so, it will adversely affect the results and operations of the Company and its subsidiaries.

2-1-33 Risks related to operating systems and information technology

The Company relies primarily on information technology systems to manage its assets and oversee its activities and financial records, and the Company may be exposed to risks of disruption to these systems, such as system downtime, failure of protection systems, breach of the Company's systems, electronic viruses, fires, communication errors, unavailability of the skilled labor necessary to operate and manage these systems, leakage of confidential data and information belonging to the Company, its clients or its employees, or a decline in the security level of such data and information. The Company periodically updates its accounting systems and resource management system, and it is possible that some data loss or disruption to some technical processes may occur. Accordingly, in the event that the Company fails to protect its operating and information technology systems, this will have a material adverse effect on the Company's business, its subsidiaries, and their financial and operational results.

2-1-34 Risks related to outbreaks of infectious or malignant diseases, epidemics, or pandemics in general

The outbreak of infectious or fatal diseases, epidemics or pandemics, such as COVID-19 previously, or the emergence of other public health concerns, whether in the Kingdom of Saudi Arabia or elsewhere, may have a material adverse effect on economies and financial and commercial activities both locally and globally. In the event of an outbreak of any such diseases, the Company will be required to take the preventive measures determined by the health and government authorities, which may lead to disruptions in the course of its business and commercial activity. The spread of the COVID-19 virus in late 2019G had an impact on global economies, financial markets, global demand for oil and its prices, and the general measures taken to prevent the spread of the virus, whereby strict decisions on social distancing, business and company closures and restrictions on movement within and between countries were imposed in various parts of the world, leading to a decline in aggregate demand, a decrease in production, a decline in travel and tourism movement, and a significant impact on many industries and economic sectors. This resulted in affecting almost all businesses, reduced working hours and mandatory closures. In general, these events affected all economic sectors, and consequently affected our ability to meet our customers' requirements for expected activities.

As there is no guarantee against the recurrence of this virus or another disease or epidemic, the Company cannot estimate the magnitude of losses resulting therefrom in the event of its occurrence. The Company does not guarantee the absence of a material adverse effect on the Company's business, financial position, operational results and future prospects.

2-1-35 Risks related to disclosures

Naseej International Trading Company prepares its financial statements in accordance with the International Financial Reporting Standards as adopted in the Kingdom of Saudi Arabia, and the financial statements include the consolidated financial statements of the parent company and its subsidiaries. The accuracy of financial reports helps decision-makers take appropriate decisions for the Company, develop appropriate strategies, study investment opportunities and predict the advantages and disadvantages of such investments by tracking the Company's financial performance. The Company may face a range of legal issues and damages that could affect the Company's profitability in the event of the preparation of inaccurate financial reports, as accurate financial reports provide continuous monitoring of funds in all aspects of the Company and reduce errors so that they do not become the cause of larger problems. The Company has certain deficiencies related to internal detailed reports concerning the cost of goods sold in detail for each product individually, in addition to internal detailed reports related to the distribution of labor costs and overheads to the cost of goods sold. The inaccuracy and unavailability of internal detailed financial reports, upon which management relies for making administrative decisions, may have an impact on the quality of internal analyses and planning and pricing decisions, which may adversely affect the future business results of the Company and its subsidiaries.

2-1-36 Risks of non-compliance with the Capital Market Law and its implementing regulations

The Company complies with the requirements of the Capital Market Authority and the Saudi Exchange (Tadawul) regarding the disclosure of the Bylaws by publishing it on the Company's designated page on Tadawul website. However, the currently published version is not the latest electronic version issued by the Saudi Business Center, which may lead to the presentation of outdated or inaccurate information to shareholders and investors. This results in a breach of the principle of transparency and full disclosure, and may be understood as unintentional misleading of stakeholders regarding the regulatory provisions governing their rights and obligations. This may also expose the Company to regulatory risks, including accountability from supervisory authorities, in addition to adversely affecting investor confidence and the soundness of their investment decisions based on incomplete or outdated information.

2-1-37 Risks related to the issuance of new regulations

The government of the Kingdom continuously updates all regulations and bylaws or issues new regulations in response to Vision 2030, and establishments operating in the Kingdom must comply with the new regulations or amended provisions and implement their rulings, which may bring about some fundamental changes in the Company. On 19/03/1446H (corresponding to 22/09/2024G), the new Commercial Register Regulation was issued pursuant to Royal Decree No. (M/83), which will come into effect on 03/04/2025G, and in accordance with the new regulation, all establishments in the Kingdom were required to conduct an annual confirmation of their commercial register data. Non-compliance with the annual commercial register data confirmation by the due date exposes the subsidiary to the penalties stipulated in the Commercial Register Regulation, which may reach a financial fine of no more than fifty thousand (50,000) Saudi Riyals, in addition to the suspension of some Ministry of Commerce services from the Company. In the event that the Company fails to apply for the lifting of the suspension within one year from the date of suspension, the subsidiary's commercial register will be automatically struck off, which may affect the Company's business, financial position, operational results and future prospects.

The new Commercial Register Regulation also required the cancellation of subsidiary commercial registers and the sufficiency of a single commercial register at the Kingdom level, and the regulation granted existing establishments at the date of its entry into force a period of five (5) years to rectify subsidiary commercial registers, whereby the Company has two options: (1) either converting the subsidiary register into a new company, or (2) striking off the subsidiary registers. This may result in the payment of unexpected fees and financial amounts, and the workforce registered under the branches will be transferred to the main register, which may result in the Company paying transfer fees that may be substantial amounts, in addition to transferring the projects supervised by the branches to the unified register and amending contracts and agreements signed in the name of the branches. All of these developments will have an adverse effect on the Company's business, financial position, operational results and future prospects. It is worth noting that the Company currently operates through 12 commercial registers distributed across 4 entities, and in light of the recent amendments to the commercial register regulations in the Kingdom of Saudi Arabia, the Company is now required to either consolidate its branches within the parent company's commercial register or register them as

independent legal entities, instead of subsidiary registers. Non-alignment with these requirements within the statutory deadlines may result in regulatory and operational implications, including the possibility of suspending some activities or imposing regulatory penalties, which may have a material adverse effect on the Company's business and financial position.

The Commercial Register Regulation also required, pursuant to Article Ten thereof, the updating of register data upon any change or amendment to the data recorded in the commercial register within fifteen (15) days of such change or amendment occurring. On 16/01/1447H (corresponding to 11/07/2025G), the Board of Directors approved the resignation of the resigning member Mr. Firas Ghassab Al-Harbi, however as of the date of this Prospectus, the commercial register data has not been updated and the name of the resigning member has not been removed, which may expose the Company to the fines and penalties stipulated in the Commercial Register Regulation, and the resigning member may hold the Company accountable for failing to remove his name from the commercial register, which may adversely affect the Company's business and financial position. Furthermore, future non-compliance with the requirements of the Commercial Register Regulation and its implementing regulations may expose the Company to regulatory penalties and fines and the suspension of some government services mentioned above, which may have a material adverse effect on the Company's business, financial position and operational results.

2-1-38 Risks related to the Companies Law and the amended Governance Regulations

On 29/11/1443H (corresponding to 28/06/2022G), the Council of Ministers approved the Companies Law issued pursuant to Royal Decree No. (M/132) dated 01/12/1443H (corresponding to 30/06/2022G), which aims to facilitate procedures and regulatory requirements to stimulate the business environment and support investment, and also aims to achieve a balance among stakeholders, provide an effective and fair corporate governance framework, entrench institutional work, contribute to the sustainability of economic entities, including family companies, attract domestic and foreign investments, ensure the availability of sustainable funding sources, meet the needs and requirements of the entrepreneurship sector, and stimulate the growth of small and medium enterprises. It is noted that following the issuance of the new Companies Law, the Corporate Governance Regulations issued by the Capital Market Authority Board pursuant to Decision No. (8-16-2017) dated 16/05/1438H (corresponding to 13/02/2017G) based on the Companies Law issued by Royal Decree No. M/3 dated 28/01/1437H (corresponding to 10/11/2015G), were amended pursuant to Capital Market Authority Board Decision No. (8-5-2023) dated 25/06/1444H (corresponding to 18/01/2023G) based on the Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443H (corresponding to 30/06/2022G). **(For further details, please refer to sub-paragraph No. (9.6.9) "Company's Compliance with the Corporate Governance Regulations" of Section (9) "Legal Information" of this Prospectus).**

The Companies Law issued pursuant to Royal Decree No. M/132 dated 01/12/1443H (corresponding to 30/06/2022G) (which entered into force on 19 January 2023G) imposes certain regulatory requirements that the company must comply with, and this requires the company to take specific actions to comply with such requirements, such as amending and aligning the company's Bylaws and matching its articles with the provisions of the Companies Law. The company has complied with that, as the Bylaws were amended and aligned, and the latest amended version of the company's Bylaws was approved by the Ministry of Commerce under application No. (674793), electronic copy No. (1), based on the resolution of the (Extraordinary) General Assembly held on 25/08/1445H (corresponding to 06/03/2024G).

Furthermore, the company has complied with updating the corporate governance regulations and policies in accordance with the provisions of the Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. (8-16-2017) dated 16/05/1438H (corresponding to 13/02/2017G) based on the Companies Law issued by Royal Decree No. M/3 dated 28/01/1437H (corresponding to 10/11/2015G), as amended by the Resolution of the Board of the Capital Market Authority No. (8-5-2023) dated 25/06/1444H (corresponding to 18/01/2023G) based on the Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443H (corresponding to 30/06/2022G).

Furthermore, there is no guarantee that future additional amendments will not be issued to the Companies Law or the Corporate Governance Regulations that may impose additional requirements on the company, whether at the level of disclosure, administrative composition, or compliance, which may lead to additional costs or regulatory challenges affecting the governance structure and stability of operations. The company's failure to implement the Corporate Governance Regulations approved by the Authority or to keep pace with the new regulatory requirements, and since the Companies Law imposes strict penalties for violating its provisions, where fines for violating some of the provisions may reach five million (5,000,000) Saudi Riyals, consequently, if the company is subjected to any of these penalties as a result of its non-compliance with those provisions, or if it fails to comply with the provisions of its Bylaws, this will have an adverse and material effect on the company's business, financial position, results of operations, and future prospects. It is worth noting that the company has not previously received any fines or been subjected to any penalties as a result of non-compliance with the Companies Law.

2-2 Risks Related to the Market and the Sector in Which the Issuer Operates

2-2-1 Risks related to the economic performance of the Kingdom

The Company's expected future performance depends on a number of factors related to the economic conditions in the Kingdom in general, including, for example but not limited to, inflation factors, GDP growth, average per capita income and the like. The Kingdom's macro and micro economy depends primarily on oil and petroleum industries, which continue to dominate a large share of the gross domestic product. Accordingly, any unfavorable fluctuations in oil prices will have a direct and material impact on the plans and growth of the Kingdom's economy in general and on government spending rates, which may adversely affect the financial performance of the Company and its subsidiaries, given their operation within the Kingdom's economic system and their susceptibility to government spending rates.

The continued growth of the Kingdom's economy also depends on several other factors, including continued population growth and public and private sector investments in infrastructure. Therefore, any adverse change in any of these factors will have a significant impact on the economy and will consequently have a material adverse effect on the Company's business, its subsidiaries, their financial results and future prospects.

2-2-2 Risks related to political and economic instability in the Middle East

The Company's headquarters and factory where it conducts its operational activities are located within the Kingdom of Saudi Arabia. The Company sells its products in several different countries and regions, including Africa, Asia and the Gulf states. Any unexpected changes in the political, social or economic conditions in the Kingdom and in the countries where the Company's products are sold may have a direct and adverse effect on the Company's ability to produce economically and efficiently, on its profitability, on its costs, and may reduce profit margins and demand for the Company's products. These changes include, for example but not limited to, changes in governments and administrations, changes in general policies and economic conditions, changes in laws and incentives (including the restriction and discouragement of foreign products) and others. This exposes the Company to the risks of these countries and other countries in which the Company hopes to expand, and any factors affecting the economies of these countries and the investments therein will affect the Company's business, its subsidiaries, their operational activities, financial position, cash flows and future prospects.

2-2-3 Risks related to the imposition of new fees or taxes

Although the Company is not currently subject to any type of taxes other than Sharia-compliant zakat and value added tax currently amounting to 15% of the fees for the products provided by the Company, it is possible that other fees or corporate taxes may be imposed by the government in the future. Accordingly, in the event that new corporate taxes or fees are imposed other than those currently applicable, this will adversely affect the Company's net profits.

2-2-4 Risks related to the competitive environment

The Company and its subsidiaries operate in a competitive environment and face strong competition, and there is no guarantee of the Company's continued ability to compete effectively with other companies in the market. The Company's competitive ability depends on differentiating the Company's products from other products available in the market, through the provision of high quality products at reasonable prices. In the event that current or potential competitors offer products of higher quality or with better competitive prices than those offered by the Company, the Company does not guarantee its ability to keep pace with and adapt quickly to evolving industry trends or changing market requirements, which will have an adverse effect on the financial results and profitability of the Company and its subsidiaries.

2-2-5 Risks related to currency exchange rate volatility

The Company deals in all its international imports and exports with currencies closely linked to the Saudi Riyal, such as the US Dollar, Euro and British Pound Sterling. Any fluctuation between the Saudi Riyal and any of these currencies may have an adverse effect on the Company's revenues and profits. It is worth noting that the Saudi Riyal is pegged to the US Dollar at a fixed exchange rate of 3.75 Saudi Riyals per US Dollar, and there is nothing to guarantee the continued pegging of the Riyal to the Dollar in the future. As the Company continues to expand, its exposure to exchange rate fluctuations may increase. Accordingly, the Company may be subject to a significant increase in its operational costs. Such an increase may have a material adverse effect on the Company's business, its subsidiaries, their operational results, financial position and future prospects.

2-2-6 Risks related to interest rate volatility

The Company's loans under its banking facilities are primarily at variable interest rates. An increase in variable interest rates that are not protected under hedging agreements may lead to an increase in the cost of the Company's loans, an increase in interest expenses and a reduction in cash flows. Interest rates are also affected by many factors, including factors related to government, monetary and fiscal policies, international and domestic economic conditions, and other factors beyond the Company's control. The Company does not currently hedge against its exposure to any interest rate fluctuations, and this may result in it incurring losses in the event of an increase in interest rates, which will have a material adverse effect on the Company's business, its subsidiaries, their operational results, financial position and future prospects.

2-2-7 Environment, Safety and Occupational Health

The Company's operations, like other companies in the same sector, are subject to a wide range of regulations and bylaws related to environmental protection, health and safety in the Kingdom, which increasingly impose strict standards that the Company must continuously comply with. The costs of compliance with these regulations and bylaws and the resulting fines may be significant, and compliance with new and strict standards may require bearing additional capital expenditures or the emergence of amendments to operational practices. Environmental, health and safety incidents may arise beyond the Company's control; for example, the Company's operations may generate a number of waste materials and pollutants that, if not properly controlled and managed, or if left without proper treatment or management, may lead to the risk of environmental pollution. Non-compliance and full adherence to environmental legislation and regulations may lead to the closure of the Company's industrial facilities and will expose the Company to violations, fines or penalties that may be imposed by the regulatory authorities. It is worth noting that the Company was subject to a fine of 10,000 Saudi Riyals from the Civil Defense as a result of its violation of the safety conditions bylaw, which was paid on 29/12/2021G. Accordingly, in the event that the Company and its subsidiaries fail to comply with the regulations and bylaws related to environmental protection, health and safety, this will expose them to financial fines, suspension of their business or revocation of their license, and will affect their ability to conduct their business, thereby adversely affecting the financial performance and profitability of the Company and its subsidiaries.

2-2-8 Risks associated with implementing Value Added Tax (VAT)

The Saudi Council of Ministers decided on the second of Jumada Al-Awwal 1438H to approve the Unified Value Added Tax Agreement for the Gulf Cooperation Council states, which came into effect from the first of January 2018G, as a new tax of 5% of the selling price, added to the remaining taxes and other fees on specific sectors in the Kingdom, including the sectors in which the Company operates. On 17/10/1441H (corresponding to 09/06/2020G), the Board of Directors of the General Authority of Zakat and Income issued Decision No. (2-3-20) increasing the value added tax rate to 15% of the selling price effective from 01/07/2020G. As value added tax by its nature is borne by the final consumer, the Company raises the prices of its products to reflect the value of the added tax. Consequently, the prices of its services inclusive of value added tax will increase, which may lead to a reduction in demand for them and consequently the Company's operations and profits will be adversely affected. In the event that the Company fails to fully transfer the value of the added tax to the client due to competitive factors or otherwise, it will be forced to bear the value of the tax not collected from the client, which will adversely affect its profits and operations.

2-2-9 Growth Opportunities Risks

The Company's ability to develop its business depends on the level of competition in the market, the availability of material and human resources, the capability of its management team, legal regulations, and others. There is no guarantee of maintaining a level of sustained growth, as the Company may face difficulties in expanding its activity, growing its market share and increasing its sales. Accordingly, in the event that the Company is unable to manage its growth positively, its ability to develop its activity, increase or maintain its market share, increase its business profits and enhance returns for its shareholders may be affected, which means that the financial position of the Company and its subsidiaries will be adversely affected.

2-2-10 Risks related to energy and electricity products and related services

The Company's operational activities depend on the availability of energy products and electricity, therefore any interruption or reduction in the supply of these products or any increase in their prices may significantly affect the volume of production and the degree of profitability from the Company's operational activities, which will lead to a reduction in its profit margins and consequently adversely affect the Company's business, its subsidiaries, their financial position, operational results and future prospects.

2-2-11 Risks of required reports

The Company is required to announce its quarterly and annual financial statements and the Board of Directors' report within the timeframe prescribed by the Capital Market Authority, and the Company is also required to disclose any material information immediately upon its occurrence. The Company may be subject to penalties and fines in the event of its failure to meet the requirements of the Capital Market Authority, the Securities Offering Rules and Continuing Obligations issued by the Capital Market Authority, and the Listing Rules issued by the Saudi Exchange (Tadawul), which will have a material adverse effect on the Company's business, its subsidiaries, their operational results, financial position and future prospects.

2-3 Risks Related to the Securities Offered

2-3-1 Risks related to low shareholder awareness of the trading mechanism and the exercise of their rights

The Capital Market Authority, in cooperation with Saudi Tadawul, developed in 2013G a mechanism for offering, registering and trading rights as securities, allowing registered shareholders to subscribe to or sell their rights in whole or in part, or to purchase or trade in rights during the rights trading period. This mechanism allows investors (who are not shareholders) to purchase rights from eligible shareholders during the rights trading period. Although the Authority has published awareness materials and special workshops to familiarize investors with Preemptive Rights Shares and the method of capital increase through the issuance of Preemptive Rights Shares, and how to subscribe, trade and other related matters, some shareholders and investors may find it difficult to understand the mechanism of trading Preemptive Rights Shares, particularly the method of calculating the final price, which may cause shareholders to miss the opportunity to make an appropriate decision at the appropriate time. It is worth noting that an investor who purchases a right and then does not subscribe to the shares may lose their entire investment paid for the right in the event that institutional investors subscribe to the new shares during the Rump Offering period at the offering price.

2-3-2 Risks associated with potential fluctuations in the price of Preemptive Rights

The market price of Preemptive Rights Shares may be subject to significant fluctuations due to changes in the factors affecting the Company's share price. This fluctuation may be significant due to the difference between the permitted daily fluctuation rate (which is 10% upward and downward from the previous day's closing price) for rights, compared to the permitted daily fluctuation rate for the Company's shares. The trading price of rights depends on the trading price of the Company's shares and the market's view of the fair price of the rights. These factors may adversely affect the trading price of the rights.

2-3-3 Risks related to potential fluctuations in the share price

The market price of rights during the trading period may not be indicative of the market price of the Company's shares after the offering. Likewise, the Company's share price may not be stable and may be significantly affected by fluctuations resulting from market conditions related to the rights or the Company's existing shares. These fluctuations may also result from many factors, including for example but not limited to: stock market conditions, weak Company performance, inability to implement the Company's future plans, entry of new competitors into the market, changes in the views or estimates of experts and analysts of the securities market, and any announcement by the Company or any of its competitors related to mergers, acquisitions or strategic alliances.

The sale of large quantities of shares by shareholders, or the belief in the possibility of such a sale occurring, will adversely affect the Company's share price in the market. In addition, shareholders may not be able to sell their shares in the market without adversely affecting the share price. There is nothing to guarantee that the market price of the Company's shares will not be lower than the offering

price, and if this occurs after investors subscribe to the new shares, the subscription cannot be cancelled or amended. Accordingly, investors may incur losses as a result. Furthermore, there is nothing to guarantee that a shareholder will be able to sell their shares at a price equal to or greater than the offering price after subscribing to the new shares.

2-3-4 Risks related to the non-profitability or inability to sell Preemptive Rights

There is no guarantee of profitability for the share through trading at a higher price. Furthermore, there is no guarantee that it will even be possible to sell it in the first place, indicating a lack of sufficient market demand to exercise preemptive rights or receive compensation from the company. It should be noted that investors who did not subscribe or sell their rights, as well as those holding fractional shares, may not receive any compensation if the Rump Shares are sold at the offering price during the offering period.

2-3-5 Risks related to forward-looking statements

The Company's future results and performance data cannot be practically predicted and may differ from what is contained in this Prospectus, as the Company's achievements and ability to develop are what determine the actual results, which cannot be predicted or determined. The inaccuracy of data and results is considered one of the risks that shareholders must be aware of so that it does not affect their investment decision, as in the event that future results and performance data differ materially from what is stated in this Prospectus, this will lead to shareholders losing part or all of their investments in the Company's shares.

2-3-6 Risks related to the potential issuance of new shares

The issuance of any new shares (other than the Preemptive Rights Shares mentioned in this Prospectus) by the Company depends on the approval of the Extraordinary General Assembly of shareholders. In the event that the Company decides to issue new shares as Preemptive Rights Shares to increase its capital, and the Extraordinary General Assembly of shareholders approves this decision, and the shareholders do not exercise their rights to subscribe to the new shares, the ownership of shares will decrease proportionally, in addition to their associated rights of voting and receiving dividends, which will affect the market price of the share.

2-3-7 Risks related to a decline in demand for Preemptive Rights and the Company's shares

There is nothing to guarantee that there will be sufficient demand for Preemptive Rights Shares during the trading period to enable the holder of Preemptive Rights Shares (whether a registered shareholder or a new investor) to sell the Preemptive Rights Shares and realize a profit from them, or to enable them to sell the rights at all. There is also no guarantee that there will be sufficient demand for the Company's shares from investment institutions during the Rump Offering Period. In the event that investment institutions do not submit offers for the Rump Shares at a high price, there may not be sufficient compensation to distribute to holders of Preemptive Rights Shares who did not exercise their right to subscribe and those entitled to fractional shares. Furthermore, there is no guarantee of sufficient market demand for shares obtained by a subscriber either through the exercise of Preemptive Rights Shares for these shares, or through the Rump Offering or through the open market.

2-3-8 Risks of dilution of ownership percentages

If holders of Preemptive Rights Shares do not subscribe to their full entitlement in the new shares, their ownership and associated voting rights will decrease. There is also no guarantee, in the event that a registered holder of Preemptive Rights Shares wishes to sell their Preemptive Rights Shares during the trading period, that the return they receive will be sufficient to fully compensate them for the decline in their ownership percentage in the Company's capital as a result of its capital increase. There is also no guarantee that there will be a compensation amount to be distributed to eligible shareholders who did not exercise their right to subscribe or to holders of fractional shares in the event that investment institutions during the Rump Offering Period do not submit offers for the remaining shares at a high price, or that the compensation amount (if any) will be sufficient to compensate for the decline in the ownership percentage in the Company's capital.

2-3-9 Risks of failure to exercise Preemptive Rights in a timely manner

The subscription period begins after (3) three business days from the approval of the Extraordinary General Assembly including the approval of the capital increase, on **/**/****H (corresponding to **/**/****G) and will end on **/**/****H (corresponding to **/**/****G). Holders of rights and financial intermediaries representing them must take appropriate measures to follow all necessary instructions before the expiry of the subscription period. If eligible shareholders are unable to properly exercise their subscription rights by the end of the subscription period, based on their holdings of Preemptive Rights Shares, there is no guarantee that there will be a compensation amount to be distributed to eligible non-participating shareholders or those who did not properly complete the subscription exercise procedures or to holders of fractional shares.

2-3-10 Risks related to dividend distributions to shareholders

Future earnings per share depend on a number of factors, including the Company's profitability, the maintenance of its sound financial position, capital requirements, distributable reserves, the Company's available credit strength and general economic conditions. The Company's capital increase may lead to a decline in future earnings per share on the basis that the Company's profits will be distributed over a larger number of shares as a result of its capital increase.

The company does not guarantee that any dividends will actually be distributed, nor does it guarantee the amount to be distributed in any given year. Dividend distribution is subject to certain restrictions and conditions stipulated in the company's Bylaws.

2-3-11 Risks related to speculation in Preemptive Rights

Speculation in Preemptive Rights Shares is subject to risks that may cause material losses. The permitted daily fluctuation range for the trading price of Preemptive Rights Shares exceeds the permitted daily fluctuation range for the market price (which is 10% upward and downward from the previous day's closing price). There is also a direct relationship between the Company's share price and the indicative value of the right. Accordingly, the daily price limits (i.e. the daily fluctuation range) for rights trading will be affected by the daily price limits for shares trading. In the event that a speculator does not sell the rights before the end of the trading period and does not exercise these rights to subscribe to the new shares, they may incur some losses. Therefore, investors must review the full details of the mechanism for listing and trading rights and new shares and how they work, and be familiar with all the factors affecting them, in order to ensure that any investment decision is based on full awareness and understanding. **(Please also refer to Section (12) "Information related to the shares and the terms and conditions of the offering" in this Prospectus).**

2-3-12 Risks related to the suspension or cancellation of trading in the company's shares due to failure to publish its financial statements within the regulatory period

In the event that the Company is unable to publish its financial information within the statutory period (thirty days from the end of the financial period for interim financial statements and three months from the end of the financial period for annual financial statements), the procedures for suspending listed securities shall be applied in accordance with the Listing Rules - approved by Capital Market Authority Board Resolution No. (3-123-2017) dated 09/04/1439H (corresponding to 27/12/2017G) - which stipulate that the Exchange shall suspend the trading of securities for one trading session following the expiry of the statutory deadline. In the event that the financial information is not published within twenty trading sessions following the first suspended trading session, Saudi Tadawul Company shall announce the re-suspension of the Company's securities until it announces its financial results. In the event that the suspension of trading in the Company's shares continues for six months without the Company taking appropriate measures to rectify such suspension, the Authority may cancel the listing of the Company's securities. Saudi Tadawul Company shall lift the suspension after one trading session following the announcement of the Company's financial results. However, in the event that the Company delays the announcement of its financial results, this will have a material adverse effect on the interests of the Company's shareholders and on the Company's reputation and operational results. In the event that it is unable to publish them within the statutory deadline referred to above, this will result in the suspension of the Company's shares or the cancellation of their listing, which will have a material adverse effect on the interests of the Company's shareholders and on the Company's reputation and operational results. In addition, the Authority may cancel the offering of the Company's Preemptive Rights Shares in the event that it considers that the offering may not be in the interest of shareholders.

3

Company Background and Business Nature

3- Company Background and Business Nature

3-1 Introduction

Naseej International Trading Company ("Naseej" or the "Company") is a Saudi joint stock company, established as a limited liability company and registered in the Commercial Register in Jeddah under certificate No. (4030133919) dated 05/03/1422H (corresponding to 28/05/2001G) under the commercial name "Al-Sorayai Carpet Factory Company". On 11/11/1427H (corresponding to 02/12/2006G) "Abdullah & Nasser Abdulaziz Al-Sorayai General Partnership Company" and "Jeddah Industrial Yarn Factory Company Limited" were merged into Al Sorayai Carpet Factory Company, and the merger process resulted in amending the commercial name of the company to become "Al-Sorayai Trading Industrial Group Company Limited" pursuant to the partners' resolution certified before the notary public on 17/01/1428H (corresponding to 05/02/2007G). On 19/10/1428H (corresponding to 31/10/2007G) the partners decided to convert the company from a limited liability company into a closed joint stock company while retaining the same commercial name without the word "Limited" to make the commercial name of the company "Al-Sorayai Trading Industrial Group Company" and the approval of His Excellency the Minister of Commerce and Investment for the conversion was issued pursuant to Ministerial Resolution No. (276/Q) dated 01/11/1428H (corresponding to 11/11/2007G) and the Ministerial Resolution announcing the incorporation of the company No. (325/Q) dated 21/11/1428H (corresponding to 31/12/2007G), and it was registered as a closed joint stock company while retaining the same number and date of the Commercial Register certificate (4030133919) issued from Jeddah. On 08/03/1431H (corresponding to 22/02/2010G) the company was converted from a Saudi (closed) joint stock company into a Saudi (public) joint stock company and its shares were listed on the Saudi Stock Exchange (Main Market). On 03/09/1441H (corresponding to 26/04/2020G) the extraordinary general assembly approved changing the company's name from Al-Sorayai Trading Industrial Group Company Limited to Naseej International Trading Company.

The company's current capital is one hundred eight million nine hundred seventy-three thousand ten (108,973,010) Saudi Riyals divided into ten million eight hundred ninety-seven thousand three hundred one (10,897,301) ordinary shares ("Shares") with a nominal value of ten (10) Saudi Riyals per share, fully paid up (referred to individually as a "Current Share" and collectively as "Current Shares"). As of the date of publishing this Prospectus, there are no substantial shareholders in the company (who own 5% or more of the company's shares).

3-2 Vision, Mission, and Strategy

Company's Vision

The company remains committed to maintaining its reputation as a leading manufacturer of carpets and rugs and seeks to achieve global success, which it can achieve by expanding its trade network through local and global distribution of the company's products.

Company's Mission

- The company strives to provide its products and services with optimal quality that ensures customer satisfaction standards are met, in line with its values towards its employees and shareholders.

Company's Strategy

The company's stated strategy is as follows:

- To focus on manufacturing high-quality carpets and profitable products, and on the commercial side by importing and selling carpets to cover all tastes and obtain the largest market share in the local market.
- Increased production capacity in the carpet manufacturing industry.
- Making the yarn factory an independent, profitable entity.
- Expanding the commercial sector in all matters related to flooring solutions that are in demand from local markets.

3-3 Company's Capital Structure

The company's shares were listed on the Saudi Stock Exchange on 08/03/1431H (corresponding to 22/02/2010G) with a capital of three hundred million (300,000,000) Saudi Riyals divided into thirty million (30,000,000) ordinary shares and with a nominal value of ten (10) Riyals per share, and on 20/05/1434H (corresponding to 01/04/2013G) the company increased its capital from three hundred million (300,000,000) Saudi Riyals to three hundred seventy-five million (375,000,000) Saudi Riyals and thus increasing the number of the company's shares from thirty million (30,000,000) ordinary shares to thirty-seven million five hundred thousand (37,500,000) ordinary shares through the capitalization of retained earnings by issuing (1) one share for every four (4) shares owned by the Registered Shareholders in the company's registers at the end of trading on the second day following the extraordinary general assembly meeting. On 10/04/1439H (corresponding to 28/12/2017G) the company reduced its capital from three hundred seventy-five million (375,000,000) Saudi Riyals to two hundred twenty-five million (225,000,000) Saudi Riyals, and thus reducing the number of the company's shares from thirty-seven million five hundred thousand (37,500,000) ordinary shares to twenty-two million five hundred thousand (22,500,000) ordinary shares by canceling fifteen million (15,000,000) ordinary shares and with a reduction percentage of (40%) of the company's capital and at a reduction rate of two (2) shares for every five (5) shares. On 27/12/1440H (corresponding to 28/08/2019G) the company's capital was reduced from two hundred twenty-five million (225,000,000) Saudi Riyals to sixty-five million five hundred thousand (65,500,000) Saudi Riyals, and thus reducing the number of the company's shares from twenty-two million five hundred thousand (22,500,000) ordinary shares to six million five hundred fifty thousand (6,550,000) ordinary shares through canceling fifteen million nine hundred fifty thousand (15,950,000) ordinary shares, and with a reduction percentage of (70.89%) of the company's capital and at a reduction rate of (1) share for every (1.41) shares. On 27/05/1441H (corresponding to 22/01/2020G) the company increased its capital from sixty-five million five hundred thousand (65,500,000) Saudi Riyals to one hundred seventy-eight million one hundred sixty thousand (178,160,000) Saudi Riyals and thus increasing the number of the company's shares from six million five hundred fifty thousand (6,550,000) ordinary shares to seventeen million eight hundred sixteen thousand (17,816,000) ordinary shares through the issuance of Preemptive Rights Shares with a value of one hundred twelve million six hundred sixty thousand (112,660,000) Saudi Riyals and with a number of eleven million two hundred sixty-six thousand (11,266,000) ordinary shares and at an issuance rate of (1.72) rights for every (1) share. On 05/05/1442H (corresponding to 20/12/2020G) the company reduced its capital from one hundred seventy-eight million one hundred sixty thousand (178,160,000) Saudi Riyals to sixty-one million six hundred thirty-two thousand ten (61,632,010) Saudi Riyals, and thus reducing the number of the company's shares from seventeen million eight hundred sixteen thousand (17,816,000) ordinary shares to six million one hundred sixty-three thousand two hundred one (6,163,201) ordinary shares by canceling eleven million six hundred fifty-two thousand seven hundred ninety-nine (11,652,799) ordinary shares, and with a capital reduction percentage of approximately (65.4%), and at a reduction rate of (1) share for every (1.529) shares. On 29/03/1443H (corresponding to 04/11/2021G) the company increased its capital from sixty-one million six hundred three-two thousand ten (61,632,010) Saudi Riyals to two hundred eleven million six hundred thirty-two thousand ten (211,632,010) Saudi Riyals and thus increasing the number of the company's shares from six million one hundred sixty-three thousand two hundred one (6,163,201) ordinary shares to twenty-one million one hundred sixty-three thousand two hundred one (21,163,201) ordinary shares through the issuance of Preemptive Rights Shares with a value of one hundred fifty million (150,000,000) Saudi Riyals and with a number of fifteen million (15,000,000) ordinary shares and at an issuance rate of (2.434) rights for every (1) share. On 19/12/1443H (corresponding to 18/07/2022G) the company reduced its capital from two hundred eleven million six hundred thirty-two thousand ten (211,632,010) Saudi Riyals to one hundred eight million nine hundred seventy-three thousand ten (108,973,010) Saudi Riyals, and thus reducing the number of the company's shares from twenty-one million one hundred sixty-three thousand two hundred one (21,163,201) shares to ten million eight hundred ninety-seven thousand three hundred one (10,897,301) shares by canceling ten million two hundred sixty-five thousand nine hundred (10,265,900) shares, and with a capital reduction percentage of approximately (48.51%), and at a reduction rate of (1) share for every (2.06) shares.

On 01/05/1447H (corresponding to 23/10/2025G) the company's board of directors recommended increasing the company's capital through the issuance of Preemptive Rights Shares with a value of one hundred sixty-three million four hundred fifty-nine thousand five hundred ten (163,459,510) Saudi Riyals with the aim of settling financial obligations and supporting the future growth strategy.

3-4 Company's Activity

The company's activities are divided into three main activities:

1. Industrial activity.
2. Commercial activity.
3. Investment activity.

Industrial activity

The company's industrial activity is in the field of carpet and rug manufacturing through a Naseej carpet factory which has two operating licenses for a carpet factory and a rug factory, as well as in the field of industrial yarn manufacturing through the Jeddah Industrial Yarn Factory Company.

Company's factories:

A. Rugs Factory:

The Rugs factory falls under the name of Al-Sorayai Carpet Factory, which was established on 30/07/1405H (corresponding to 21/04/1985G) in Jeddah - Industrial Area, Phase Four. The rugs factory produces various carpet designs that cover market needs, such as high-quality, low-priced carpets, to other types of carpets used in offices and mosques. These products are sold in the local market and many countries around the world.

The following is an overview of the carpet factory's production capacity:

Table (32): Rugs Factory

Thousand square meters	2022G	2023G	2024G	September 30, 2025G
Production capacity	4,000	4,000	4,000	2,800
Quantity produced	3,128	2,826	1,811	521
Quantity sold	2,950	3,356	2,270	764
Utilized capacity	78.2%	70.7%	45.3%	18.6%

Source: The Company

B. Carpet Factory:

The carpet factory, which falls under the name Al-Sorayai Carpet Factory, was established on 28/11/1436H (corresponding to 12/09/2015G). It is located in the city of Jeddah - Industrial Area, Phase Four, where it manufactures all market requirements, whether in residential units, hospitals, mosques, lobbies, hotels, or offices. The factory produces pieces of high-quality carpet with special specifications, including carpets made of wool, acrylic, and silk, as well as resistant carpets. High quality heat to meet all the demands of the local and international market.

The following is an overview of the carpet factory's production capacity:

Table (33): Carpet Factory

Thousand square meters	2022G	2023G	2024G	September 30, 2025G
Production capacity	22,000	22,000	22,000	16,500
Quantity produced	12,237	12,690	6,886	2,108
Quantity sold	12,672	12,928	8,747	2,352
Utilized capacity	55.62%	57.7%	31.3%	12.8%

Source: The Company

C. Jeddah Industrial Yarn Factory Company:

Jeddah Industrial Yarn Factory was established on 23/01/1417H (corresponding to 10/06/1996G) in the city of Jeddah for the purpose of producing nylon and polypropylene yarns, as nylon and polypropylene yarns are considered key elements in the manufacturing process of carpet and rugs. Through this factory, production feed is provided to carpet and rug manufacturers, and a production share is sold to global markets.

The following is an overview of the production capacity of the Jeddah Industrial Yarn Factory:

Table (34): Jeddah Industrial Yarn Factory

Thousand kilograms	2022G	2023G	2024G	September 30, 2025G
Production capacity	15,000	15,000	15,000	11,250
Quantity produced	9,893	9,613	5,929	1,996
Quantity sold	3,476	3,405	3,097	1,445
Utilized capacity	66%	64%	39.5%	17.7%

Source: The Company

Commercial Activity

This consists of domestic trade (wholesale and retail) of the Company's products, namely carpets and rugs, and the Company conducts its business through numerous branches and sales centers in the form of showrooms and warehouses, for which registration certificates have been issued by the Ministry of Commerce **(for further details, please refer to sub-paragraph No. (9.6.1) "Continuous Obligations According to the Requirements of the Ministry of Commerce" of Section (9) "Legal Information" of this Prospectus)**. The Company affirms that it has no other branches either inside or outside the Kingdom of Saudi Arabia. The Company's commercial activities also include the export of the Company's products to some Arab countries and Africa.

3-5 Competitive Advantages

Naseej Company is distinguished by the quality of its products manufactured in its local factories, especially carpets.

In detail, the strengths and competitive advantages of Naseej Company are as follows:

- Naseej Company uses the latest technology available in the manufacture of yarns used for making carpets and rugs.
- It relies on standards in using the finest raw materials according to international standards.
- Naseej Company has a widespread network and distributors to meet the needs of its customers in all regions of the Kingdom and beyond.

3-6 Subsidiaries

- Pursuant to Article (7) of the Bylaws, the Company may establish companies solely as limited liability companies, closed joint stock companies, simplified joint stock companies, or any other entity or legal form, and it may own shares and equity interests in other existing companies, merge them, or merge with them, and it has the right to participate with others in establishing joint stock companies, limited liability companies, or any other entity or legal form, whether inside or outside the Kingdom or in free zones, after fulfilling the requirements of the applicable regulations and instructions in this regard. The Company may also dispose of these shares or equity interests, provided that this does not include brokerage in their trading.
- As of the date of this Prospectus, the Company has (3) subsidiaries within the Kingdom of Saudi Arabia: Al-Sorayai Company for Operation and Maintenance, a single-person company wholly owned (100%) by Naseej International Trading Company directly; Al-Sorayai Projects Company, a single-person company wholly owned (100%) by Naseej International Trading Company; and The Home Styles Company Limited, a single-person company wholly owned (100%) by Naseej International Trading Company directly.
- The following is a brief overview of these companies:
  - Al-Sorayai Company for Operation and Maintenance Limited, a single-person limited liability company, was established pursuant to commercial registration certificate No. (4030245783) dated 20/06/1434H (corresponding to 30/04/2013G) and was registered in the commercial register under the unified national number (7001766158) with a capital of one hundred thousand (100,000) Saudi Riyals, pursuant to the Bylaws approved by the Ministry of Commerce under No. (63199) dated 26/04/1444H (corresponding to 20/11/2022G) and published in Aamali newspaper on 05/12/2022G. This subsidiary conducts retail sale activities for carpets and rugs.

- Al-Sorayai Projects Company Limited, a single-person limited liability company, was established pursuant to commercial registration certificate No. (4030249966) dated 06/08/1434H (corresponding to 15/06/2013G) and was registered in the commercial register under the unified national number (7001784110) with a capital of one hundred thousand (100,000) Saudi Riyals, pursuant to the Bylaws approved by the Ministry of Commerce under No. (63194) dated 07/05/1444H (corresponding to 01/12/2022G) and published in Aamali newspaper on 05/12/2022G. This subsidiary conducts retail sale activities for carpets and rugs.
- The Home Styles Company Limited, a Saudi limited liability company, was established pursuant to commercial registration certificate No. (4030206178) dated 03/12/1431H (corresponding to 09/11/2010G) and was registered in the commercial register under the unified national number (7001642276) with a capital of one hundred thousand (100,000) Saudi Riyals. This subsidiary conducts retail sale activities for carpets and rugs.

3-7 Trademarks and Intellectual Property Rights

The company has a logo used in its business dealings, and an application has been submitted to register it as a trademark with the Saudi Authority for Intellectual Property. Trademark registration will allow the company to display its name and logo on the exterior of its buildings, offices, or shops, once the trademark is fully registered and granted the necessary legal protection under the Trademark Law.

Website:

The company's website or electronic platform is not registered with the Communications and Space Technology Commission (formerly the Communications and Information Technology Commission) - Saudi Network Information Center.

3-8 Business Interruption

There has been no disruption to the company's business that could or has had a significant impact on the financial position during the last (12) months.

3-9 Employees

As of 30 December 2025G, the total number of the Company's employees amounted to (460) employees, of whom (135) are Saudi employees and (325) are non-Saudi employees, and the Company is classified within the low green - medium band (category C) of the Nitaqat program. The following table shows the number of employees in the Company and the Saudization rate as of 31 December 2022G, 2023G and 2024G and for the period ending 30 September 2025G:

Table (35): Number of Employees

Nationality	2022G		2023G		2024G		September 30, 2025G	
	Number	Percentage %	Number	Percentage %	Number	Percentage %	Number	Percentage %
Saudis	168	27%	182	29%	154	28%	135	29%
Non-Saudis	464	73%	440	71%	391	72%	325	71%
Total	632	100%	622	100%	545	100%	460	100%

Source: The Company

3-10 Employee Stock Program

As of the date of this Prospectus, the Company has no Employee Stock Program or any other arrangements that involve employees in the Company's capital.

4

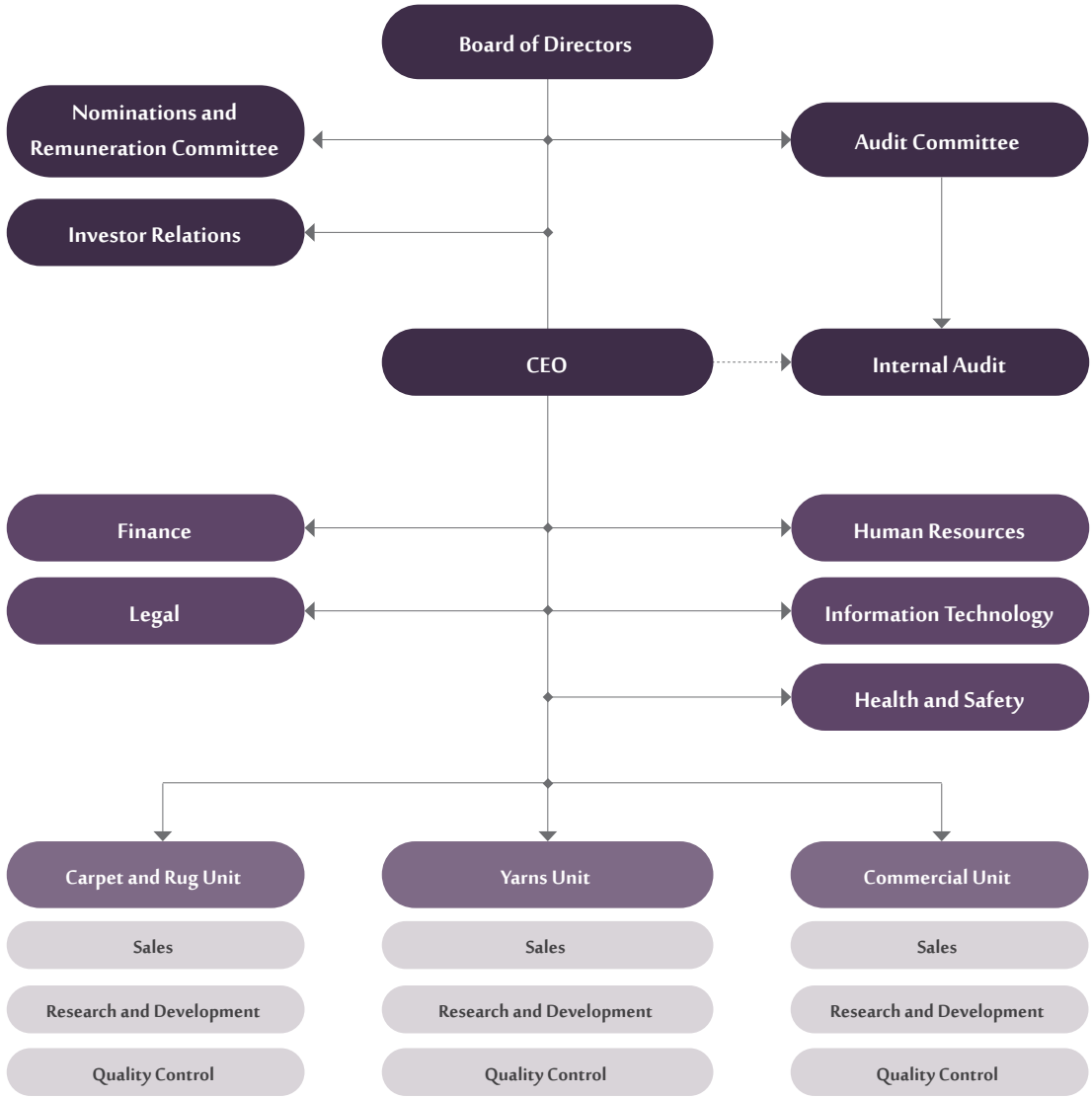
The Company's Organizational Structure

4- The Company's Organizational Structure

4-1 Organizational Structure

The following figure shows the organizational structure of the company that was approved by the board on 26/02/2023G:

Figure No. (1): Organizational Structure of Naseej Company February 26, 2023G



Source: The Company

4-2 Board of Directors

The (Ordinary) General Assembly at its meeting held on 22/07/2024G approved the appointment of (6) members to the Board of Directors, with the appointment to take effect on 16/07/2024G for a period of four (4) years ending on 16/07/2028G. The following table shows the members of the Board of Directors as of the date of publication of this Prospectus:

Table (36): Board of Directors Members

No.	Name	Position*	Nationality	Age	Membership Status	Date of Appointment	Date of Membership	Shares Owned***			
								Direct	Indirect	Total	Percentage
1	Waiel Saad Abdulaziz Al Rashid**	Chairman of the Board	Saudi	55	Independent	16/07/2024G	16/07/2024G	200	-	200	0.0018353%
2	Rasheed Sulaiman Alrasheed**	Vice Chairman of the Board	Saudi	52	Independent	16/07/2024G	16/07/2024G	5	-	5	0.0000459%
3	Yasser Suliman Alaqeel	Board Member	Saudi	39	Independent	16/07/2024G	16/07/2024G	10	-	10	0.0000918%
4	Meshari Ali Al Nashwan	Board Member	Saudi	40	Independent	16/07/2024G	16/07/2024G	20	-	20	0.0001835%
5	Vacant****	Board Member	-	-	--	-	-	-	-	-	-
6	Vacant****	Board Member	-	-	--	-	-	-	-	-	-
Board Secretary											
7	Omer Fadul Mohamed Taha	Board Secretary	Sudanese	55	-	16/07/2024G	16/07/2024G	-	-	-	-

Source: The Company

*On 14/11/1445H (corresponding to 22/05/2024G) the company's ordinary general assembly approved in its meeting held the election of the above-mentioned board of directors' members for the current term, which commenced on 16/07/2024G and ends on 15/07/2028G.

**On 10/01/1446H (corresponding to 16/07/2024G) the company announced the appointment of the Chairman of the Board of Directors Dr. Waiel Saad Abdulaziz Al Rashid, and the company also announced the appointment of Mr. Musalli Mahdi Muhammad Al Muammar as Vice Chairman of the Board of Directors starting from 16/07/2024G until the end of the current board term, and on 12/07/1447H (corresponding to 01/01/2026G) the Board of Directors approved the resignation of the board member Mr. Musalli Mahdi Muhammad Al Muammar, and on 12/07/1447H (corresponding to 01/01/2026G) Mr. Rasheed Sulaiman Alrasheed was appointed as Vice Chairman of the Board of Directors starting from 02/01/2026G until the end of the current board term.

***Means the shares owned by the board of directors' members directly or indirectly in the company through their ownership in companies that own shares in the company or the shares owned by the relatives of the board of directors' members whether directly or through their ownership in companies that own shares in the company.

****On 16/01/1447H (corresponding to 11/07/2025G) the Board of Directors approved the resignation of the board member Mr. Firas Ghassab Sulaiman Al-Harbi and this position is considered vacant, on 12/07/1447H (corresponding to 01/01/2026G) the Board of Directors approved the resignation of the board member Mr. Musalli Mahdi Muhammad Al Muammar and this position is considered vacant

4-3 Executive Management

Table (37): Executive Management

No.	Name	Position	Nationality	Age	Date of Appointment	Shares owned "directly"		Shares owned "indirectly"	
						Amount	Percentage	Amount	Percentage
1	Monther Mohammed Abdullah Al Sorayai	CEO	Saudi	55	18/11/2021G	-	-	-	-
2	Ahmed Abdel Salam Al-Khattabi	CFO	Egyptian	38	29/11/2015G	-	-	-	-
3	Ibrahim Al-Dhay	Legal Manager	Sudanese	49	01/09/2022G	-	-	-	-
4	Muhaysin Al-Ghamdi***	Human Resources Manager	Saudi	41	24/09/2006G	-	-	-	-
5	Sayyid Yusuf al-Din	IT Manager	Indian	48	01/01/2008G	-	-	-	-
6	Muhaysin Al-Ghamdi*	Health & Safety Manager	Saudi	41	24/09/2006G	-	-	-	-
7	Amer Seddiki	Carpet and Rug Unit Manager	Pakistani	55	16/11/1997G	-	-	-	-
8	Fawaz Abdo Qassem	Yarns Unit Manager	Yemeni	41	01/12/2009G	-	-	-	-
9	Wissam Sarmani**	Commercial Unit Manager	Syrian	43	12/09/2019G	-	-	-	-
10	Hatem Mohamed Elsayed	Internal Audit Manager	Egyptian	53	17/07/2022G	-	-	-	-

Source: The Company

*Mr. Muhaysin Al-Ghamdi was assigned the duties of Health & Safety Manager by administrative resolution dated 08/10/2025G, and until this date.

** Mr. Wissam Sarmani was assigned the duties of Commercial Unit Manager Unit by an administrative resolution dated 28/03/2023G, and until this date.

***Mr. Muhaysin Al-Ghamdi was assigned the duties of Human Resources Manager by administrative resolution dated 08/10/2025G, and until this date.

4-4 Compensation and Remuneration for Board Members and Senior Executives

The responsibility for proposing compensation and remuneration for board members and senior executives lies with the Remuneration and Nominations Committee. The following table shows the salaries, remuneration, and allowances paid to board members and top executives for the fiscal years ending December 31, 2022G, 2023G, and 2024G, respectively:

Table (38): Board Member and Senior Executive Remuneration

Statement	2022G	2023G	2024G
	Saudi Riyals	Saudi Riyals	Saudi Riyals
Board Members – Annual Remuneration and Meeting Attendance Allowance	1,867,948	1,122,500	1,228,836
Senior Executives (including CEO and CFO)	3,757,341	3,336,443	3,529,299
Total	**5,625,289**	**4,458,943**	**4,758,135**

Source: The Company

4-5 Board Committees

The board formed a number of specialized committees, either in accordance with the requirements of the Companies Law and the Capital Market Authority Law and its executive regulations, or in light of the company's work needs, to help the board manage its tasks more effectively. These are as follows:

4-5-1 Audit Committee

- In accordance with paragraph (a) of Article Fifty-One (51) of the Corporate Governance Regulations, an audit committee shall be formed by a resolution of the board of directors, consisting of at least three (3) members and a maximum of five members, from among non-executive board members, whether from the shareholders or others, and the resolution shall specify the committee's duties, operating controls, and its members' remunerations. The audit committee is specialized in monitoring the company's business and verifying the integrity and soundness of the financial reports and internal control systems therein. For this purpose, it has the right to review its records and documents and request any clarification or statement from the board members or the executive management. It may also request the board of directors to call the company's General Assembly to convene if the board of directors obstructs its work or if the company suffers material damages or losses, in addition to the powers delegated to it pursuant to the Corporate Governance Regulations.
- The Company has an audit committee composed of three (3) members appointed by the Board of Directors in its meeting held on 10/01/1446H (corresponding to 16/07/2024G), and the Board recommended to the General Assembly of shareholders to approve this appointment.

The audit committee consists of the following members:

1. Mr. Rasheed Sulaiman Alrasheed - Chairman of the Committee.
2. Mr. Yasser Suliman Alaqeel – Member.
3. Mr. Faisal Sultan Al-Subaie – Member.

- On 28/04/1447H (corresponding to 20/10/2025G), Mr. Faisal Sultan Al-Subaie tendered his resignation from his membership in the committee, and on 01/05/1447H (corresponding to 23/10/2025G), the Board of Directors resolved to appoint Mr. Khaled Abdulaziz Al-Houshan as an audit committee member (an independent member from outside the board) as a replacement for the resigning member, Mr. Faisal Sultan Al-Subaie, to complete the current audit committee term which ends with the end of the Board's term on 15 July 2028G, so that the committee becomes composed of the members whose names are as follows:
    1. Mr. Rasheed Sulaiman Alrasheed - Chairman of the Committee.
    2. Mr. Yasser Suliman Alaqeel – Member.
    3. Mr. Khaled Abdulaziz Al-Houshan – Member.
- As of the date of preparation of this Prospectus, the Company has an independent work bylaw specific to the audit committee, approved by the (Ordinary) General Assembly of shareholders in its meeting held on 13/10/1444H (corresponding to 03/05/2023G) based on the recommendation of the Board of Directors on 06/09/1444H (corresponding to 28/03/2023G).
- The company is committed to preparing the annual report for the Audit Committee for the years 2023G and 2024G.
- On 11/10/1446H (corresponding to 09/04/2025G), the Audit Committee's report was published on the market's website when the invitation to convene the General Assembly was published.
- On 16/11/1446H (corresponding to 14/05/2025G), a summary of the Audit Committee's report for 2024G was read during the General Assembly of Shareholders meeting.
- According to Article (2) of the Audit Committee's Rules of Procedure, the Committee shall hold at least four (4) meetings per year.
- As of the date of this prospectus, the Audit Committee held a number of meetings as follows:

Table (39): Audit Committee Meetings

Year	2022G	2023G	2024G	2025G*
Number of meetings	6	5	10	5

Source: The Company

*As of the date of this prospectus.

Powers of the Audit Committee:

The Audit Committee has the following powers in order to perform its duties:

1. The right to access the company's records and documents. The committee has the right to form a working group for any purpose it deems appropriate and conducive to achieving its objectives. It also has the right to delegate some of its powers and authorities to the working group whenever it deems it appropriate, provided that the number of members of any working group formed by this committee is not less than two.
2. Investigating any activity that falls within its jurisdiction or any matter specifically requested by the Board of Directors, the Shareholders' Assembly, or the external auditors.
3. Seeking legal and technical advice from any external or consulting body whenever necessary to assist the committee in performing its tasks.
4. The audit committee is responsible for monitoring the company's operations and, in order to perform its duties, has the following responsibilities:
    A. The right to access the company's records and documents.
    B. Requesting any clarification or statement from the members of the Board of Directors and the Executive Management.
    C. To request the Board of Directors to convene the company's General Assembly if its work is hindered or if the company is suffering significant damage or losses.
    D. Meeting with external auditors and company staff, including internal auditors, to inquire about audit work and to provide any comments within the scope of its work.

4-5-2 Remuneration and Nominations Committee

- The Company has a Remuneration and Nominations Committee composed of three (3) members, formed and appointed by the Board of Directors in its meeting held on 21/02/1447H (corresponding to 16/07/2024G) for a term ending on the date of expiry of the Board's term on 22/02/1450H (corresponding to 15/07/2028G), and is composed of the following members:
    1. Mr. Yasser Alaqeel - Chairman of the Committee.
    2. Mr. Musalli Al Muammar – Member of the Committee.
    3. Mr. Firas Al-Harbi – Member of the Committee.
- On 16/01/1447H (corresponding to 11/07/2025G), Mr. Firas Ghassab Sulaiman Al-Harbi submitted his resignation from membership of the Committee, and on 18/01/1447H (corresponding to 13/07/2025G), the Board of Directors decided to increase the number of committee members to (4 members) and appoint Board Chairman Dr. Waiel Saad Al Rashid (independent member) as a member of the remuneration and nominations committee as a replacement for the resigned member, and appoint Board member Mr. Meshari Ali Al Nashwan (independent member) as a member of the Committee, to complete the current remuneration and nominations committee term which ends at the conclusion of the Board's term on 15 July 2028G. The Committee thus became composed of the following members:
    1. Mr. Yasser Alaqeel - Chairman of the Committee.
    2. Mr. Waiel Saad Al Rashid – Member of the Committee.
    3. Mr. Meshari Ali Al Nashwan – Member of the Committee.

Mr. Saad Othman was appointed (Secretary of the Committee).

- On 11/07/1447H (corresponding to 31/12/2025G), Mr. Musalli Mahdi Muhammad Al Muammar submitted his resignation from membership of the Committee, and on 12/07/1447H (corresponding to 01/01/2026G), the Board of Directors decided to reduce the number of members of the remuneration and nominations committee to (3) members in accordance with the current composition following the resignation of the committee member. The Committee thus became composed of the following members:
    1. Mr. Yasser Alaqeel - Chairman of the Committee.
    2. Mr. Waiel Saad Al Rashid – Member of the Committee.
    3. Mr. Meshari Ali Al Nashwan – Member of the Committee.

- Pursuant to the Committee's work bylaw, the Committee meets at least twice (2) per year, and additional meeting dates may be scheduled as the members or chairman of the Committee deem appropriate when necessary. The Committee submits its reports to the Board. As of the date of preparation of this Prospectus, the remuneration and nominations committee has held a number of meetings as follows:

Table (40): Remuneration and Nominations Committee Meetings

Year	2022G	2023G	2024G	2025G*
Number of meetings	4	2	5	4

Source: The Company

*As of the date of this prospectus.

Powers of the Remuneration and Nominations Committee:

The Remuneration and Nominations Committee is responsible for the following with regard to remuneration:

1. Preparing a clear policy for the remuneration of the members of the Board of Directors and the committees emanating from it for approval by the General Assembly, provided that these policies take into account the standards for their approval by the General Assembly, and that these policies take into account the standards related to performance, disclosure, and verification of their implementation.
2. Clarify the relationship between the remuneration granted and the applicable remuneration policy, and state any significant deviation from this policy.
3. Periodically reviewing the remuneration policy, assessing its effectiveness in achieving its intended goals, and recommending to the Board of Directors the remuneration of Board members, subcommittees emanating from it, and senior company executives in accordance with the approved policy.
4. Recommending to the Board of Directors the remuneration of the Board members, the committees emanating from it, and the company's senior executives in accordance with the approved policy.

The Remuneration and Nominations Committee is responsible for the following with regard to nominations:

1. Proposing clear policies and standards for membership in the Board of Directors and executive management.
2. Recommending to the Board of Directors the nomination and re-nomination of its members in accordance with the approved policies and standards, taking into consideration that no person previously convicted of a breach of trust offense shall be nominated.
3. Preparing a description of the capabilities and qualifications required for Board of Directors membership and executive management positions.
4. Determining the time that a member must dedicate to the work of the Board of Directors.
5. Conducting an annual review of the necessary skills or appropriate experience required for Board of Directors membership and executive management positions.
6. Reviewing the structure of the Board of Directors and executive management and making recommendations to the Board of Directors regarding changes that may be made.
7. Verifying annually the independence of independent members and the absence of any conflict of interests if a member holds membership on the board of directors of another company.
8. Preparing job descriptions for executive members, non-executive members, independent members and senior executives.
9. Establishing procedures specific to vacancies in the position of any Board of Directors member or senior executive.
10. Identifying weaknesses and strengths in the Board of Directors and proposing solutions to address them in a manner consistent with the Company's interests.
11. Conducting periodic reviews of the governance regulations and submitting recommendations and proposals to the Board of Directors regarding amendments to them in accordance with the interests and purposes of the company.

4-5-3 Executive Committee

- The Company has an executive committee composed of three (3) members, formed and appointed by the Board of Directors in its meeting held on 21/02/1447H (corresponding to 16/07/2024G) for a term ending on 22/02/1450H (corresponding to 15/07/2028G), and is composed of the following members:
    1. Mr. Firas Al-Harbi – Chairman of the Committee.
    2. Mr. Waiel Saad Al Rashid – Member of the Committee.
    3. Mr. Meshari Ali Al Nashwan – Member of the Committee.
- On 16/01/1447H (corresponding to 11/07/2025G), Mr. Firas Ghassab Sulaiman Al-Harbi submitted his resignation from membership of the Committee, and on 18/01/1447H (corresponding to 13/07/2025G), the Board of Directors decided to appoint Board member Mr. Rasheed Sulaiman Alrasheed (independent member) as a member of the executive committee and chairman of the Committee as a replacement for the resigned member, to complete the current executive committee term which ends at the conclusion of the Board's term on 15 July 2028G. The Committee thus became composed of the following members:
    1. Mr. Rasheed Sulaiman Alrasheed – Chairman of the Committee.
    2. Mr. Waiel Saad Al Rashid – Member of the Committee.
    3. Mr. Meshari Ali Al Nashwan – Member of the Committee.
- According to paragraph (7-2) of the Committee's Rules of Procedure, the Committee shall meet at least twice (2) a year, and additional meetings may be scheduled as deemed appropriate by the members or the Chairperson of the Committee when necessary. The Committee shall submit its reports to the Board.
- As of the date of preparation of this Prospectus, the Executive Committee held a number of meetings as follows:

Table (41): Executive Committee Meetings

Year	2024G	2025G*
Number of meetings	4	5

Source: The Company

*As of the date of this prospectus.

5

Financial Information and Management's Discussion and Analysis

5- Financial Information and Management's Discussion and Analysis

5-1 Introduction

This section provides a general overview of the financial position and results of operations of Naseej International Trading Company ("Naseej" or "the Company" or "the Parent Company"), based on the audited financial statements for the fiscal years ending 31 December 2022G ("Fiscal Year 2022"), 31 December 2023G ("Fiscal Year 2023"), and 31 December 2024G ("Fiscal Year 2024"), and the consolidated financial statements for the nine-month period ending 30 September 2024G ("the Nine-Month Period of 2024") and the nine-month period ending 30 September 2025G ("the Nine-Month Period of 2025"), collectively referred to as "the Historical Period".

The financial information presented in the Financial Information and Management's Discussion and Analysis section was prepared from the financial statements prepared by the Company, which were audited by El-Sayed El-Ayouty & Co. Certified Public Accountants (MOORE) in accordance with the International Standards on Auditing adopted by the Saudi Organization for Chartered and Professional Accountants in the Kingdom of Saudi Arabia, for the years ending 31 December 2022G, 31 December 2023G and 31 December 2024G. This information was also reviewed in accordance with International Standard on Review Engagements No. 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Company" adopted by the Saudi Organization for Chartered and Professional Accountants in the Kingdom, for the two nine-month periods ending 30 September 2024G and 30 September 2025G.

The company has applied the International Financial Reporting Standards adopted in the Kingdom of Saudi Arabia, in addition to other standards and publications issued by the Saudi Organization for Chartered and Professional Accountants, when preparing the financial statements.

None of the employees of El-Sayed El-Ayouty & Co. Certified Public Accountants (MOORE), nor any of their affiliated companies, nor any of their relatives, have any share or interest of any kind in the company that could affect their independence, and written consent has been given with respect to the publication of their name, logo, and statement without revocation up to the date of the report.

The consolidated financial statements form an integral part of this section and should be read in conjunction with the accompanying notes.

All financial figures in this section are expressed in Saudi Riyals and rounded to the nearest million unless otherwise stated. Rounding may result in totals or percentages differing from the exact values of the figures presented.

This section may contain forward-looking statements regarding the company's future capabilities based on management plans, growth prospects, operating results, and financial position, which may involve future risks and possibilities.

The Company's actual results may differ materially from those expected due to numerous factors, risks, and future developments, including those contained in this section or any other part of the prospectus, in particular **section (2) ("Risk Factors").**

5-2 Board of Directors' Declarations Regarding Financial Information

- The financial information contained in this Prospectus has been extracted from the audited consolidated financial statements for the fiscal years ending 31 December 2022G, 2023G and 2024G and the accompanying notes thereto, and the condensed consolidated interim financial statements for the nine-month period ending 30 September 2025G and the accompanying notes thereto, without any material adjustments thereto, and that they include financial information presented on a consolidated basis in a form consistent with the Company's financial statements prepared in accordance with the International Financial Reporting Standards as adopted in the Kingdom of Saudi Arabia.

- Except as disclosed in this Prospectus in **Section (2) "Risk Factors" sub-paragraph No. (2.1.15) "Risks Related to Accumulated Losses",** and **Section (5) "Financial Information and Management's Discussion and Analysis" sub-paragraph (5) "Income Statement",** no material adverse change has occurred in the financial and commercial position of the Company during the three fiscal years ending 31 December 2022G, 2023G and 2024G immediately preceding the date of submission of the registration and offering application for the securities subject to this Prospectus, in addition to the end of the period covered by the chartered accountant report until the approval of the Prospectus.
- The company has no information about any governmental, economic, financial, monetary, political, or other policies or factors that have or could materially affect (directly or indirectly) the company's operations.
- No commissions, discounts, brokerage fees, or any non-cash compensation were granted by the issuer or any of its subsidiaries during the three years immediately preceding the date of filing the application for registration and offering of the securities subject to this prospectus in connection with the issuance or offering of any securities, in addition to any of the board members, proposed board members, senior executives, those offering or offering the securities, or experts.
- The Board of Directors acknowledges that the company does not own any property, including contractual securities or other assets, whose value is subject to fluctuations or whose value is difficult to ascertain, which could significantly affect the assessment of the financial position.
- The company has no significant fixed assets that it intends to purchase or lease, other than those disclosed in this prospectus in **Section (6) "Use of the Offering Proceeds and Future Projects".**
- The company has no other loans or debts, including bank overdrafts, obligations under acceptance or acceptance credit, lease-purchase obligations, or loans and debts secured or unsecured by personal guarantee, mortgage, or non-mortgage, except as disclosed **in this section of the prospectus, subparagraph (6) "Statement of Financial Position".**
- There are no liens, encumbrances or liens on the property of the company or any of its subsidiaries as of the date of this prospectus.
- Except as stated in **Section (5) "Financial Information and Management's Discussion and Analysis" of subparagraph (5.6.19) "Contingent Liabilities and Capital Commitments"**, the Company has no contingent liabilities or guarantees.
- Neither the Company nor its substantial subsidiaries as of the date of this prospectus have any capital covered by an option right, including the consideration for which such right has been or will be granted, its price, duration, and the name and address of the person to whom the option is granted.
- Except as stated in **Section (5) "Financial Information and Management's Discussion and Analysis" in subparagraph (6.8) "Equity"** that the company has not undergone any changes in capital during the three years immediately preceding the date of filing the application for registration and offering of the securities subject to this prospectus.
- The company is not aware of any seasonal or economic cycle-related factors that may have an impact on the company's business and financial position.
- The members of the Board of Directors acknowledge that the Company has no outstanding or approved debt instruments that have not yet been issued, nor any term loans secured by a personal guarantee or mortgage (whether the issuer or another party has provided a mortgage) or unsecured, except as stated in **Section (5) "Financial Information and Management's Discussion and Analysis" of subparagraph (5.6) "Statement of Financial Position".**
- The Board of Directors acknowledges that there is no reservation in the chartered accountant's report on the issuer's financial statements for any of the three financial years immediately preceding the date of filing the registration application and offering of the securities subject to this prospectus.
- The Board members acknowledge that no structural changes have been made to the issuer during the three financial years immediately preceding the date of filing the registration application and offering of the securities subject to this prospectus.
- The Board members acknowledge that no material change has been made to the issuer's accounting policies.
- The Board of Directors acknowledges that no material changes have been made or required to be made to the audited and reported financial statements during the periods referred to above.

5-3 Basis of Preparation and important information about accounting policies

Basis of Preparation

The financial statements were prepared in accordance with the International Financial Reporting Standards adopted in the Kingdom of Saudi Arabia, and other standards and publications issued by the Saudi Organization for Chartered and Professional Accountants.

Basis of Measurement

The financial statements have been prepared on a historical cost basis, excluding investments, derivative financial instruments, potential consideration, and defined employee benefit liabilities, which are measured at fair value.

Basis of Consolidation

The consolidated financial statements include the financial statements of the parent company and its subsidiaries (collectively referred to as "the Company").

Table (42): Subsidiaries

Name	Main activity	2024G
The Home Styles Company Limited	Retail trade in carpets, rugs, flooring, furniture, blankets, curtain fabrics and accessories	100%
Al-Sorayai Company for Operation and Maintenance Limited	Maintenance services for factories, companies, and governmental and private institutions	100%
Al-Sorayai Projects Company Limited (Activity suspended)	Government and private project services for furniture, carpets, and rugs	100%

Control is achieved when the company owns:

- The ability to control the company in which the investment is made;
- The company's right to variable returns arises from its connection to the company in which it is invested;
- The ability to use its control to influence those returns.

The company will reassess whether it controls any of the invested companies if the facts and circumstances indicate changes in one or more of the elements of control mentioned above.

When a company's voting rights in any investee company are less than a majority of the voting rights therein, the company has control of that investee company, provided the voting rights are sufficient to give it the practical ability to direct the investee company's activities separately. The company considers all relevant facts and circumstances when assessing whether its voting rights in the investee company give it control. These facts and circumstances include:

- The amount of voting rights held by the company in relation to the size and extent of ownership of other voting rights holders;
- Potential voting rights owned by the company, other voting rights holders, or other parties;
- Rights arising from other contractual arrangements;
- Any additional facts and circumstances that may indicate whether the company has, or does not have, the current ability to direct relevant activities when decisions are needed, including how to vote at past shareholder meetings.

The process of consolidating the financial statements of subsidiaries begins when the parent company gains control of the subsidiary and ends when the parent company loses control of the subsidiary. Specifically, the subsidiary's revenues and expenses earned or disposed of during the period are included in the consolidated income statement and consolidated comprehensive income statement from the date of gaining control until the date of losing control of the subsidiary.

The consolidated income statement and all other comprehensive income items are distributed to the company's shareholders. The subsidiary's total other comprehensive income is also distributed to its shareholders.

If necessary, the subsidiary's financial statements are amended so that its accounting policies are consistent with those adopted by the parent company.

All transactions and balances, including assets, liabilities, equity, revenues, expenses, and cash flows arising from transactions between the company's subsidiaries, are excluded when preparing consolidated financial statements.

Changes in the company's equity in existing subsidiaries

Changes in a company's ownership in subsidiaries that do not result in a loss of control are treated as equity transactions. The listed values of the company's equity and non-controlling interests are adjusted to reflect changes in their ownership in the subsidiaries. Any difference between the adjusted value of non-controlling interests and the fair value of consideration paid or received is included directly in equity and attributed to the company's shareholders.

When a company loses control of a subsidiary, any gain or loss is recognized in the consolidated income statement and is calculated based on the difference between:

1. The total fair value of the amount received and the fair value of any retained interest,
2. The previously recorded carrying amount of the subsidiary's assets (including goodwill), liabilities, and any non-controlling interests. All amounts previously recognized in other comprehensive income relating to that subsidiary are treated as if the company had directly disposed of the subsidiary's assets or liabilities (i.e., reclassification to profit or loss, or conversion to another classification in equity as defined/permitted in accordance with International Financial Reporting Standards).

The fair value of the retained proportions of the investment in the former subsidiary at the date of loss of control is the fair value of the remaining investment at initial recognition in subsequent periods in accordance with IFRS 9. If the company becomes a joint investor or partner in a joint venture, the fair value is the initial recognition cost of the investment in the related company or joint venture.

Functional and Presentation Currency

The consolidated financial statements are presented in Saudi Riyals, which is the functional and presentation currency of the company. All values are rounded to the nearest million Saudi Riyals, unless otherwise stated.

Business combinations and goodwill

Business combinations are treated using the acquisition method when control is transferred to the company. The cost of the acquisition is measured as the sum of the consideration transferred, measured at fair value at the acquisition date, and the amount of any non-controlling interests in the acquired company. For each business combination, the company chooses whether to measure the non-controlling interests in the acquired company at fair value or at their proportional share of the acquired company's net assets. Acquisition-related costs are recorded as expenses when incurred and are included in administrative expenses.

A company determines that it has acquired a business when the acquired activities and assets include a material input and process that together contribute substantially to the ability to produce outputs. The acquired process is considered material if it is critical to the ability to continue producing outputs. The acquired input includes an organized workforce with the skills, knowledge, or experience necessary to perform that process, or contributes substantially to the ability to continue producing outputs and is considered unique, rare, or irreplaceable without significant cost, effort, or delay in the ability to continue producing outputs.

When a company acquires a business, it evaluates the acquired assets and financial liabilities to classify and assign them appropriately in accordance with the contractual terms, economic conditions, and circumstances at the time of acquisition. This includes separating any implicit derivatives in the original contracts of the acquired company.

Any contingent consideration that must be transferred by the acquirer is recognized at fair value at the acquisition date. A contingent consideration classified as equity is not remeasured, and its subsequent adjustment is recorded in equity. A contingent consideration classified as an asset or liability and which is a financial instrument and falls within the scope of IFRS 9 is measured at fair value, with fair value changes recognized in income statement in accordance with the same standard. Other contingent considerations that do not fall within the scope of IFRS 9 are measured at fair value at each reporting date, with fair value changes recognized in profit or loss.

Goodwill is initially measured at cost (the excess over the sum of the consideration transferred and the amount recognized for non-controlling interests and any prior investments, plus net assets and liabilities acquired). If the fair value of net assets acquired exceeds the sum of the consideration transferred, the company reassesses whether it correctly identified all assets acquired and all liabilities assumed,

and reviews the procedures used to measure the amounts recognized at the acquisition date. If the excess persists after reassessment, the gain is recognized in the income statement.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. For impairment testing purposes, goodwill acquired in the business combination, from the date of acquisition, is allocated to each cash-generating unit of the business expected to benefit from the business combination, regardless of whether other assets or liabilities of the acquired business have been assigned to those units.

When goodwill is allocated to a cash-generating unit and a portion of the operations within that unit are disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the profit or loss from disposal. In this case, the goodwill is measured based on the relative values of the disposed operation and the portion retained from the cash-generating unit.

Classification between Current and non- Current

The company presents assets and liabilities in the statement of financial position based on the classification as current and non-current.

Assets are classified as current when they are:

- Expected to be realized, or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be achieved within twelve months after the reporting period, or
- It shall be cash or its equivalent unless it is restricted from substitution or use to settle the obligation for a period of not less than twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- Expected to be settled in the normal operating cycle;
- Held primarily for the purpose of trading;
- Payment is due within twelve months after the reporting period, or
- There is no unconditional right to postpone settlement of the obligation for a period of not less than twelve months after the reporting period.

The terms of the obligation may, at the option of the counterparty, be settled by issuing equity instruments that do not affect its rating.

All other liabilities are classified as non-current.

Fair Value Measurement

The company measures financial instruments such as derivatives, and non-financial assets such as investment properties, at fair value at the date of the statement of financial position.

Fair value is the price that could be obtained to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement of fair value is based on the assumption that the transaction to sell an asset or transfer a liability occurs either:

- In the primary market for the asset or liability, or
- In the absence of a primary market, then in the market most suitable for the asset or liability,

The main or most advantageous market must be available to the company.

The fair value of an asset or liability is measured using the assumptions that market participants use when pricing the asset or liability, assuming that market participants are acting in their best economic interests.

The fair value measurement of a non-financial asset includes the ability of market participants to generate economic benefits by using the asset in its best use or by selling it to another market participant who uses the asset in its best use.

The company uses valuation techniques appropriate to the circumstances and has sufficient data to measure fair value, maximizing the use of observable inputs and minimizing the use of non-observable inputs.

All assets and liabilities measured or disclosed at fair value in the financial statements are classified within the fair value hierarchy, according to the lowest level of input that has a significant impact on the measurement as a whole:

- Level 1: Listed (unadjusted) prices in active markets for similar assets or liabilities.
- Level 2: Valuation techniques whose lowest essential input for measuring fair value depends on inputs that are directly or indirectly observable
- Level 3: Valuation techniques whose lowest essential input for measuring fair value relies on unmonitored inputs

Revenue from Contracts with Customers

The company manufactures, sells, and provides installation services for carpets, rugs, yarns, colored foils, blankets, bed sheets, and other related products. Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer in the amount that reflects the company's expected consideration for those goods or services. The company generally concludes that it is the principal party in its revenue arrangements, with the exception of the supply services listed below, because it typically controls the goods or services before transferring them to the customer.

Sale of carpets, rugs, yarn, colored foils, blankets, bed sheets and other allied products

Revenue from the sale of these products is recognized when control of the asset is transferred to the customer, typically upon delivery of the items to the customer's location or, in most cases, at the point of sale. The standard credit term is between 30 and 90 days after delivery.

The company considers whether there are other promises in the contract that constitute separate performance obligations requiring a portion of the transaction price (such as guarantees and customer loyalty points). When determining the transaction price for selling products, the company considers the effects of variable consideration, a significant financing component, non-cash consideration, and consideration due to the customer (if any).

Revenue Recognition

Revenue is measured based on the consideration specified in the contract with the customer. The company recognizes revenue when control of the product or service is transferred to the customer and when the criteria established for each of the company's activities, as detailed below, are met. The company bases its estimates of return revenue on historical results, taking into account the type of customer, the type of transaction, and the details of each arrangement.

The company recognizes revenue based on a five-step model in accordance with International Financial Reporting Standard 15. IFRS 15 requires the recognition of revenue from contracts with customers according to the following model:

- Establishing contracts with the customers;
- Defining performance obligations in the contract;
- Determining the transaction price;
- Allocating the transaction price to the performance obligations in the contract; and
- Recognizing revenue when the company fulfills the performance obligations.

The company does not anticipate having contracts where the period between the delivery of goods or services to the customer and payment exceeds one year, with the exception of contractual reserves. Accordingly, transaction prices are not adjusted for the time value of money. In accordance with contracts with customers, no financing, non-cash consideration, or consideration due to customers is included in the transaction price.

The Company satisfies the obligation and recognizes revenue over time if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs; or
2. The entity's performance creates or enhances an asset that the customer controls as it is created or enhanced; or
3. The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where none of the above conditions are met, revenue is recognized at the point in time when the obligation is fulfilled. The company generally concludes that it is the principal party in its revenue arrangements because it typically controls the goods or services before they are transferred to the customer.

Other Income

Other income is recognized on an accrual basis.

Contact Assets

Contract assets are initially recognized as revenue earned from the sale of products, since receipt of payment is contingent upon successful delivery. Upon delivery and acceptance of the ordered product by the customer, the amount recognized as contract assets is reclassified to trade receivables.

Trade Receivables

A receivable is recognized if the amount due from the customer is unconditional (i.e., it only requires the passage of time before payment is due).

Contract Liabilities

Contract Liabilities are recognized if payment is received or if payment is due (whichever is earlier) from the customer before the company transfers the relevant goods or services. Contract Liabilities are recognized as revenue when the company performs under the contract (i.e., when control of the relevant goods or services is transferred to the customer).

Foreign Currencies

The company's consolidated financial statements are presented in Saudi Riyals, which is also the parent company's functional currency. For each entity, the company determines the functional currency, and items included in each entity's financial statements are measured using that functional currency. The company uses the direct consolidation method, and when a foreign transaction is disposed of, the reclassified profit or loss to the income statement reflects the amount resulting from using this method.

Transactions in foreign currencies are initially recorded by company entities at the spot exchange rates of their functional currency on the date of initial eligibility for transaction recognition.

Cash assets and liabilities in foreign currencies are converted at the spot exchange rate of the functional currency at the reporting date. Differences arising from the settlement or translation of cash items are recognized in income statement, with the exception of cash items allocated as part of a hedge against the company's net investment in a foreign operation. These items are recognized in other comprehensive income until the net investment is disposed of, at which point the cumulative amount is reclassified to income statement. Taxes accrued or recoverable related to exchange rate differences on these cash items are also recognized in other comprehensive income.

Non-monetary items measured at historical cost are translated into foreign currency using the exchange rates at the initial transaction dates. Non-monetary items measured at fair value are translated using the exchange rates at the fair value determination date. The gain or loss resulting from the translation of non-monetary items measured at fair value is treated in accordance with the recognition of gain or loss on changes in the fair value of those items (i.e., translation differences on items where an increase or decrease in fair value is recognized in other comprehensive income or income statement are treated in the same way).

When determining the spot exchange rate for initial recognition of an asset, expense, or related revenue (or part thereof) upon disposal of a non-cash asset or non-cash liability related to advance consideration, the transaction date is the date on which the company first recognizes the non-cash asset or non-cash liability arising from the advance consideration. If there are multiple advance payments or receipts, the company determines the transaction date for each advance payment or receipt of the advance consideration.

Upon consolidation, assets and liabilities of foreign operations are translated into Saudi Riyals at the exchange rates prevailing on the reporting date, and their income statements are translated at the exchange rates prevailing on the transaction dates. Exchange differences resulting from the translation for consolidation are recognized under other comprehensive income. When a foreign operation is disposed of, the portion of other comprehensive income relating to that operation is reclassified to the income statement.

Segment Reporting

The operating segments are reported in a manner consistent with internal reports submitted to the key operating decision-maker. The key operating decision-maker, responsible for resource allocation and performance evaluation of the operating segments, is identified as the company's main board's strategic committee.

Investing in Entities that are Accounted for Using the Equity Method

Associate Companies

Investments in associates are those in which the Company has significant influence. These investments are accounted for using the equity method. Significant influence is the participation in the financial and operational decisions of the investee, and is generally evidenced when the Company holds between 20% and 50% of the voting rights of that company.

Investments in associates are initially recorded at cost, and their carrying amount is increased or decreased to recognize the Company's share of the associate's profits or losses after acquisition. At the acquisition date, any excess of the acquisition cost over the Company's share of the fair value of the identifiable net assets of the associate is recognized as goodwill and included within the carrying amount of the investment. The carrying amount of these investments is reduced to recognize any impairment in the value of the individual investment. If the Company's share of losses exceeds the value of the investment, the carrying amount of the investment is reduced to zero and the recognition of any additional losses ceases unless the Company has an obligation to provide additional financing to that associate.

The Company's share of the profits or losses of associates after acquisition is recognized in the income statement, and the share of other comprehensive income movements after acquisition is recognized within other comprehensive income.

When a subsidiary of the Company conducts transactions with an associate, unrealized profits and losses are eliminated to the extent of the Company's interest in the relevant associate. The accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

Equity Discontinuing

When the Company ceases to exercise significant influence or joint control as a result of dilution or disposal of its interest, the retained interest is remeasured to its fair value at that point in time, and the resulting profit or loss is recognized directly in the income statement. This amount is considered the cost of the investment for future accounting purposes. Amounts previously recognized as a share of other comprehensive income are reclassified to the income statement or transferred to retained earnings depending on the nature of the items.

If a change in share occurs without a significant loss of influence or common control, items previously recognized as other comprehensive income are transferred or reclassified only in proportion to the share relinquished.

If the company gains control (as a result of increasing its stake), the fair value of the previously held stake is included as part of the consideration for the purchase.

Property, Plant and Equipment

Property, plant, and equipment, excluding free land and ongoing capital works, are recorded at cost less accumulated depreciation and impairment, if any. Free land and ongoing capital works are valued at cost, and the company's management has no intention of altering its depreciation policies.

Table (43): Property, Plant, and Equipment

Item	Useful life (Years)	Depreciation method
Buildings	10 – 20	Straight – line
Machinery	4 – 12	Production units
Equipment and Tools	4 – 12	Straight – line
Improvements and Decoration	4 – 7	Straight – line
Furniture, fixtures, and office equipment	3 – 4	Straight – line
Vehicles	4	Straight – line

The expected production units for each machine were estimated based on a study prepared by the production department and a survey conducted by the factory of some facilities and equipment. Based on this, the final study was prepared to determine the units expected to be produced from those facilities and equipment, which was approved by the company's board of directors.

Annual Review of Residual Values and Useful Lives

With regard to additions and disposals during the year, depreciation is calculated from the day of acquisition or capitalization of assets until the day before disposal, respectively.

Annual review of residual values and useful life

The residual value of an asset is the current estimated amount that a company could obtain upon disposal of the asset after deducting the estimated costs of disposal if the asset has already reached its expected useful life and condition.

The residual values and useful lives of assets are reviewed and adjusted as necessary at the end of each accounting period. If projections differ from prior estimates, the change is recorded as a change in accounting estimates.

Asset Segmentation

Property, plant, and equipment often consist of different parts with varying useful lives or wear patterns. These parts are replaced (independently) during the asset's useful life. Therefore:

According to the segmentation methodology, the company does not recognize the day-to-day maintenance costs of the item in the carrying amount of assets. These costs are recognized in the consolidated income statement when incurred.

The depreciation of different asset components is determined separately only for critical parts of property, plant, and equipment with different useful lives or depreciation patterns. However, the principles relating to parts replacement (which represent the subsequent cost of a replaced part) generally apply to all identified parts, whether critical or non-critical.

Capitalization of costs within property, plant and equipment

The cost of property, plant and equipment consists of the following:

1. Purchase price, including customs duties and non-refundable purchase taxes, after deducting trade discounts.
2. Any costs directly related to preparing the site and the conditions necessary for its operation in a manner deemed appropriate by management.
3. Initial estimate of the costs of dismantling and transporting the item, restoring the site on which it is located to its normal condition, and the liabilities incurred as a result of purchasing this item or as a result of using it during a specified period for purposes other than producing inventory during that year.
4. Subsequent costs are included in the carrying amount of an asset or recognized as a separate asset where appropriate, only when it is probable that future economic benefits associated with the item will flow to the firm and the cost of the item can be reliably measured. The recognition of carrying amount of any part recognized as a separate asset ceases when it is replaced.
5. Borrowing costs related to qualifying assets are capitalized as part of the cost of qualifying assets until commercial production begins.

6. All other repair and maintenance expenses are charged to the consolidated income statement in the financial period in which they are incurred. Regular maintenance and repair costs that do not increase the estimated useful life of the asset or its productivity are charged to the consolidated income statement when incurred.
7. Gains and losses from the disposal of property, plant and equipment are determined by comparing the proceeds with the net book value and are included in other income.
8. Management conducts impairment tests to assess the potential for recovering the book value of property, plant and equipment whenever there is an indication of impairment.
9. Management reviewed the year-end impairment of operating fixed assets to assess whether there was any indication of a potential impairment. This review did not result in an impairment of the company's assets.
10. At year-end, management conducted an internal impairment review based on the latest available valuation report, key performance indicators, and projected cash flows. These methods involve various assumptions to determine the potential recovery of the projected assets.

Leases

The company leases various offices, factories, warehouses, equipment, and vehicles. Contracts may contain both lease and non-lease components. The company allocates consideration in the contract between the lease and non-lease components based on their respective independent rates unless the company chooses not to separate the lease and non-lease components and instead treats them as a single lease component. Leases are recognized as a right-of-use asset and a corresponding obligation on the date the leased asset becomes available for use by the company.

Right-of-use Assets

The company recognizes right-of-use assets at the start date of the lease (i.e., the date the underlying asset becomes available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of the liabilities recognized, the initial direct costs incurred, and lease payments made at or before the start date, less any lease incentives received. Right-of-use assets are depreciated using the straight-line method over the shorter of the lease term and the asset's estimated useful life.

If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of the purchase option, depreciation is calculated using the asset's estimated useful life. Right-of-use assets are also subject to impairment tests.

Lease Liabilities

At the start date of the lease, the company recognizes lease liabilities measured at the present value of the lease payments payable over the lease term. Lease payments include fixed payments (including substantially fixed payments) less any accrued lease incentives, variable lease payments based on an index or rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of the purchase option that the company reasonably expects to exercise and penalty payments for termination of the lease if the lease term reflects the company's exercise of the option.

Rent payments payable under anticipated extension options are also included in the liability measurement. Rent payments are discounted using the implied interest rate in the lease. If this rate cannot be easily determined, which is often the case for corporate leases, the tenant's additional borrowing rate is used. This is the rate an individual tenant would have to pay to borrow the funds needed to acquire an asset similar to the right of use in a similar economic environment and under similar terms and security.

The company is exposed to the possibility of future variable lease payments increasing based on an index or rate, which are not included in the lease liability until they take effect. When lease payments are adjusted based on an index or rate, the lease liability is revalued and adjusted against the right-of-use assets.

Lease payments are allocated between principal and interest. Financing costs are charged to the income statement during the lease term.

Payments related to short-term leases and low-value assets are recognized on a straight-line basis as an expense in the income statement.

Amounts owed by tenants under finance contracts are recorded as receivables equal to the company's investment in the relevant contracts. Income from the finance contracts is allocated to accounting periods to reflect a fixed periodic rate of return on the company's net outstanding investment in the relevant leases.

Rental income from operating leases where the lessor is the income is recognized on a straight-line basis for the duration of the lease. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as an expense for the duration of the lease on the same basis as rental income. Leased assets are listed on the balance sheet according to their nature.

Inventory

Inventory, excluding waste, is valued at less than cost and net realizable value. Any reduction in net realizable value is recorded as an expense in the period in which the reduction occurs. Any reversal is recognized in the consolidated income statement in the period in which the reversal occurs. Net realizable value represents the estimated selling price in the ordinary course of business less estimated costs of completion and estimated marketing, selling, and distribution costs to complete the sale.

The cost is determined as follows:

- Raw materials: Weighted average cost
- Spare parts: Standard cost
- Work in progress: Standard cost
- Finished goods: Standard cost

Damaged items are valued at their net realizable value. Inventory is valued at the purchase cost or supplier invoice value plus expenses to complete the purchase. This inventory is valued at weighted average cost less allowances for slow-moving or obsolete items, if any. Items in transit are valued at cost including invoice value and other applicable charges.

Net realizable value and assessment of inventory

Net realizable value is the estimated selling price in the ordinary course of business less the cost of completion and selling expenses. The realizable value of an inventory write-down is typically assessed on a per-item basis. This occurs when items are related to the same product line (with a similar end purpose) and are produced and marketed in the same geographic area.

An allowance is made for slow-moving, obsolete, and damaged inventory. Damaged inventory is identified and its value is reduced through inventory count procedures. The allowance for slow-moving and obsolete inventory is assessed for each inventory category as part of ongoing financial reporting. Obsoleteness is assessed by comparing the expected inventory level with potential future sales.

Non-current assets held for sale and discontinued operations

A company classifies non-current assets and disposal groups as held for sale if their value is expected to be recovered primarily through a sale rather than continued use. Non-current assets and disposal groups classified as held for sale are measured at less their book value and fair value less costs to sell. Costs to sell are the direct increments associated with disposing of the asset (the disposal company), excluding finance costs and zakat expense.

The criteria for classifying an asset as held for sale are met only when a sale is highly probable and the asset or disposing entity is available for immediate sale in its current condition. The actions required to complete the sale must indicate that significant changes to the sale plan or a reversal of the decision to sell are unlikely. Management must adhere to the plan to sell the asset, and the sale is expected to be completed within one year of the classification date.

- Property, plant and equipment are not depreciated, and intangible assets are not amortized after being classified as held for sale.
- Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.
- It represents a separate main line of work or an independent geographical area in the operations.
- A disposal company is considered to have completed a disposition if it is part of a component of the business that has been disposed of or classified as held for sale, and:
- It forms part of a coordinated plan to exclude a separate major line of business or geographic area of operations, or was a subsidiary acquired for the purpose of reselling exclusively.
- Or it was a subsidiary that was acquired exclusively for the purpose of resale.
- Discontinued operations are excluded from the results of continuing operations and are presented as a single amount representing the net profit or loss after zakat and tax from discontinued operations in the income statement.

Cash Distributions

The company acknowledges its obligation to distribute cash dividends upon approval of the distribution resolution, after which the matter is no longer subject to the company's discretion. In accordance with applicable regulations, the distribution is considered approved upon shareholder consent at the general meeting. The corresponding amount is then directly recognized within shareholders' equity.

Intangible Assets

Acquired intangible assets are measured separately at initial cost recognition. Intangible assets acquired through a business combination are measured at cost at fair value at the acquisition date. After initial recognition, intangible assets are presented at cost less accumulated depreciation and accumulated impairment losses, if any. Internally created intangible assets—except for development costs, which are capitalized according to standards—are not capitalized, and the expense associated with them is recognized in profit or loss during the period in which it is incurred.

The useful lives of intangible assets are assessed as either limited or unlimited.

Intangible assets with limited useful lives are depreciated over their expected economic life and are assessed for signs of impairment whenever they appear. The depreciation period and method are reviewed at least at the end of each accounting period. Any changes in the expected useful life or in the pattern of future economic benefits consumed constitute an adjustment to the accounting estimates. Depreciation expense is recognized in the profit or loss statement under the expense item that corresponds to the nature of the asset's use.

Intangible assets with unlimited useful lives are not depreciated but are subject to an annual impairment test, either individually or as part of a cash-generating unit. The continued viability of the unlimited useful life is reassessed annually, and if this is no longer sustainable, the useful life is revised from unlimited to limited on a forward-looking basis.

An intangible asset is derecognized when it is disposed of (i.e., when control is transferred to the recipient) or when no future economic benefits are expected to be derived from its use or disposal. Any gains or losses resulting from derecognition (represented as the difference between the net proceeds from disposal and the carrying amount of the asset) are recognized in the statement of profit or loss.

Table (44): Assesses the useful lives of intangible assets

Type	Useful life
Software	4 years

Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position include cash available at banks and on hand, as well as highly liquid short-term deposits maturing in three months or less, which can be easily converted into identifiable cash amounts and are subject to immaterial risks with respect to changes in their value.

For the purposes of the consolidated cash flow statement, cash and cash equivalents consist of cash and short-term deposits as defined above, after deducting bank overdrafts, as they are an integral part of the company's cash management.

Financial Instruments

A financial instrument is any contract that results in one entity having a financial asset and another entity having a financial obligation or equity instrument.

A. Recognition and derecognition of financial instruments

Financial instruments, with the exception of derivative financial instruments, are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets that are purchased or sold in a regular way are recognized using trade date accounting, i.e. on the date the Company commits to purchase or sell.

Financial instruments that are not receivables are initially measured at fair value, which is usually equivalent to the acquisition cost, and include transaction costs for financial instruments that are not subsequently measured at fair value.

Financial assets are derecognized when:

- The contractual rights to the cash flows from the financial asset expire, or
- The asset is transferred such that the contractual rights to the cash flows of the asset and the risks and rewards associated with ownership are transferred.

Upon derecognition, the company recognizes the differences between the carrying amount and the consideration received.

In discounted invoice and secured account arrangements, the transfer may not result in derecognition, as the Company retains exposure to risks and rewards to some extent. The Company assesses its continuing involvement and recognizes a liability, such that the net assets and liabilities represent the rights and obligations retained, and are measured based on the classification of the original asset.

Financial liabilities (or part thereof) are derecognized when, and only when, the liability is extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expires. The resulting gain or loss between the carrying amount and the amount paid is recognized in the income statement.

If the terms of an existing financial liability (loans and borrowings) are substantially modified, this will be considered as meeting the criteria for derecognition of the original liability, and the new financial liability is recognized.

B. Classification and subsequent measurement of financial assets

The measurement of financial assets is based on classification, which is determined by the business model for holding the asset and its cash flow characteristics.

I. Amortized cost

Assets are held with the objective of collecting contractual cash flows, which consist solely of interest and principal, such as conventional debt instruments, loans and receivables including contract assets. Interest is calculated using the effective interest method and is included in financial income in the income statement. Impairment losses on assets are presented in a separate line item within the income statement.

II. Fair value through other comprehensive income

If the business model, in addition to the above, also involves the sale of assets, these assets are measured at fair value, with changes in fair value recognized within other comprehensive income. Interest income is calculated and presented as described above. Impairment losses are included in the income statement and affect the increase or decrease in fair value profits/losses recognized in the other comprehensive income reserve.

Upon derecognition, the profits and losses are recycled to the income statement and included under other profits/losses.

III. Fair value through income statement

Assets that do not meet the above criteria are measured at fair value through the income statement, with changes in fair value shown under other profit/loss.

For investments in equity that the Company considers long-term strategic investments, the Company has elected the option under IFRS 9 to present changes in fair value through other comprehensive income. However, unlike what is stated in item two above, upon the sale of these investments, the cumulative profits/losses recorded in other comprehensive income within equity will be transferred and will not be recycled through the income statement.

Dividends distributed are recognized as other income when there is a right to receive the payment.

C. Classification and measurement of financial liabilities

Financial liabilities are classified either as financial liabilities at fair value through profit or loss or as other financial liabilities measured at amortized cost. Financial liabilities at fair value through profit or loss are classified as such if they are either held for trading or designated under this classification. Profits and losses arising from these financial liabilities are recognized within other profits and losses in the statement of comprehensive income.

A financial liability is classified as held for trading if:

A. It was acquired principally for the purpose of short-term repurchase;

B. Upon initial recognition, it is part of a specified portfolio of financial instruments that has a pattern of short-term profit-taking; or

C. It is a derivative financial instrument that is not designated and effective as a hedging instrument.

A financial liability can also be determined at fair value through the income statement upon initial recognition if:

A. This designation eliminates or significantly reduces a discrepancy in measurement or recognition that would otherwise occur; or

B. A financial liability is part of a portfolio of financial assets, financial liabilities, or both, which are managed and their performance evaluated at fair value as part of the company's documented risk management and investment strategies;

C. It is part of a contract that contains one or more embedded derivatives, and the entire contract may be designated in accordance with applicable financial reporting standards.

Other financial liabilities are measured at initial fair value, net of transaction costs, and subsequently measured at amortized cost using the effective interest method, where interest expense is recognized on an effective return basis within finance expense in the statement of comprehensive income.

The company cancels the recognition of financial obligations when the company's obligations are paid, cancelled, or extinguished.

Embedded derivatives

Embedded derivatives in other financial instruments or non-derivative contracts are treated as separate derivatives if their risks and characteristics are not closely related to the host contract, and if the host contract is not measured at fair value through profit or loss.

However, financial liabilities that contain multiple embedded derivatives are not separated, but are instead measured in their entirety at fair value through profit or loss.

Compound financial instruments

Compound financial instruments issued by the Company include loan bonds convertible into capital at the option of the bondholder, such that the number of shares issued does not change with changes in the fair value of the bond.

The liability component of a compound financial instrument is initially recognized at the fair value of a similar instrument without the option to convert into equity, while the equity component is initially recognized at the difference between the fair value of the compound instrument as a whole and the fair value of the liability component. Any direct transaction costs related to the transaction are allocated between the liability and equity components in proportion to their initial carrying amounts.

Following initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method, while the equity component is not remeasured after initial recognition except upon conversion or expiry of the instrument.

Interest expense on the liability component is calculated by applying the effective interest method, whereby the present value of future cash flows is calculated using the market rate for a similar loan without the convertible component. The difference between the effective interest and the interest paid is added to the carrying amount of the convertible loan bond.

Interest, dividends, losses, and profits related to financial liability are recorded in the income statement. Equity distributions, however, are recorded within equity net of applicable taxes.

Offsetting of Financial Instruments:

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position only when there is a legally enforceable right to offset the recognized amounts, and there is an intention to settle them on a net basis, or to realize the assets and settle the liabilities simultaneously.

Currently, the company does not offset financial assets with financial liabilities. The only relevant arrangement the company is subject to is the master offset arrangement.

Derivative financial instruments and hedging activities

Derivative financial instruments

The company uses derivative financial instruments to manage exposure to interest rate, commodity, and foreign exchange risks, including exposures arising from anticipated transactions.

Financial derivatives are measured at initial fair value recognition. Changes in fair value are subsequently recognized in the income statement, along with transaction costs. Trading derivatives are classified as current assets or liabilities.

Hedging

If a derivative financial instrument is used as a hedging instrument, it is classified into one of the following types:

A. Fair value hedge – this instrument hedges the exposure to changes in the fair value of a recognized asset or liability or a firm commitment;

B. Cash flow hedge – this instrument hedges the exposure to variability in cash flows arising from specific risks associated with a recognized asset or liability or a forecast transaction;

C. Hedge of a net investment in a foreign operation (net investment hedge).

To meet the criteria for hedge accounting, management formally identifies and documents the hedging relationship in accordance with the Company's risk management strategy, including the nature of the risks, the hedging instrument and the hedged item. Hedge effectiveness is assessed in accordance with the following criteria:

- The existence of an economic relationship between the hedged item and the hedging instrument.
- The effect of credit risk does not dominate the value changes resulting from the economic relationship.
- The hedge ratio matches the quantity of the hedged item and the quantity of the hedging instrument.

If effectiveness is not subsequently achieved with respect to the hedging ratio, while the risk management objective remains the same, the hedging ratio is adjusted accordingly.

The company will cease applying hedge accounting in the future when it is confirmed that the derivative instrument is ineffective as a hedge after adjusting the hedge ratio, or when the instrument expires, is sold, terminated, or exercised, or if the risk management objective changes such that the instrument no longer meets the approved hedging criteria.

Fair value hedging

For fair value hedging that meets the requirements of hedge accounting, any gains or losses on the hedging instrument are recognized in the income statement, as are gains or losses on the hedged item attributable to the hedged risk. The active portion of the fair value hedging is recorded under financing income or expense, while the inactive portion is recorded under other gains and losses in the income statement.

Cash flow hedges

For cash flow hedges that meet the conditions for hedge accounting:

1. The cash flow hedge reserve, which is a component of equity, is adjusted to reflect the lower of:
   A. The cumulative gain or loss on the hedging instrument since the inception of the hedge.
   B. The cumulative gain or loss in the fair value of the hedged item.
2. The effective portion of the gain or loss on the hedging instrument is recorded in other comprehensive income.
3. The ineffective portion of the gains or losses is recorded in the income statement (as a balancing amount).

For hedges relating to forecast transactions, gains or losses recognized in other comprehensive income are transferred to the income statement in the period in which the hedged transaction affects financial results. If the hedged transaction results in the recognition of an asset or liability, the previously recognized gains or losses in other comprehensive income are included in the initial cost or carrying amount of the asset or liability.

If future cash flows are no longer expected, the amounts are immediately reclassified to the income statement.

The company uses futures contracts for difference to hedge cash flows, and only the change in the fair value of the spot asset is allocated as a hedging tool. The change in fair value ("Futures Difference Points") is recorded separately as a hedging cost within the equity hedging cost reserve.

When using options for hedging, only the change in intrinsic value is allocated as a hedging instrument, and these changes are accounted for in accordance with the treatment described above.

The full fair value of a hedge instrument is classified as a non-current asset or liability if the maturity of the hedged item is more than twelve months from the reporting date, and as a current asset or liability if the maturity of the hedged item is less than twelve months. Traded derivatives are classified as current assets or liabilities.

Net investment hedging in foreign operations

Net investment hedges in foreign operations are treated similarly to cash flow hedges. The active portion of gains or losses on the hedge instrument is recorded in other comprehensive income, while the inactive portion is immediately recorded in income statement under other net gains and losses. Accumulated gains and losses in equity are reclassified to income statement upon partial disposal or sale of the foreign operation.

Loans and borrowing

Loans and borrowings are initially recognized at fair value (receipts received) less any qualifying transaction costs, if any. After initial recognition, longer-term borrowings are measured at amortized cost using the effective interest rate method. Any difference between the revenue (net transaction costs) and the recovery amount is recognized in the income statement over the borrowing period using the effective interest rate method.

Borrowings are removed from the statement of financial position when the obligation specified in the contract expires, is canceled or expires. The difference between the carrying amount of a financial liability that has been settled or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recorded in the income statement as other income or finance expenses.

Borrowings are classified as current liabilities unless the company has the unconditional right to defer settlement of the obligation for a period of not less than twelve months after the end of the reporting period.

Employees' defined benefit obligations

Short and long-term benefits

Obligations relating to wages and salaries, including non-cash benefits and unused accumulated paid leave expected to be fully paid within 12 months from the end of the period in which employees render the service, in respect of employee services up to the end of the reporting period, are recognized and measured at the amounts expected to be paid when the obligations are settled. These obligations are presented as current items within employee benefit accruals in the statement of financial position.

Employees' end-of-service benefits

The liabilities or assets recognized in the consolidated statement of financial position in connection with an employee end-of-service benefits plan represent the present value of the defined benefit liability at the end of the financial year. The defined benefit liability is calculated annually by independent actuaries using the projected units method.

The present value of a defined benefit obligation is determined by discounting estimated future cash flows using the interest rates of high-quality corporate bonds, denominated in the currency in which the benefits will be paid, and whose maturities closely match the terms of the obligation to which it relates.

Defined benefit costs classification:

Service cost

The cost of the current service and the cost of the previous service are included and are immediately recognized in the consolidated income statement.

Any changes in the present value of a defined benefit commitment resulting from plan modifications or reductions are immediately recognized in the consolidated income statement as prior service costs.

Interest cost

The net interest cost is calculated by applying the discount rate to the net outstanding benefit liability balance, and this cost is included in employee benefits expense in the consolidated income statement.

Re-measurement gains or losses

Remeasurement gains or losses resulting from adjustments to expertise or changes in actuarial assumptions are recognized in the year in which they occur directly within other consolidated comprehensive income.

Zakat and Tax

The company is subject to Zakat in accordance with the regulations of the Zakat, Tax and Customs Authority. Foreign subsidiaries are subject to the relevant tax regulations of their respective countries. The company's Zakat and its share of income tax on foreign subsidiaries are calculated and recorded directly in the consolidated income statement. Any additional Zakat or foreign income tax liabilities, if any, related to prior years' assessments are recorded in the period in which the final assessment is completed.

Provisions

Provisions are recognized when the Company has existing legal or constructive obligations as a result of past events, it is probable that the settlement of these obligations will require an outflow of resources, and the amount required for settlement can be reliably estimated. The amount recognized as a provision represents the best estimate of the cost required to settle the existing obligation at the end of the reporting period, taking into account the risks and uncertainties associated with the obligation. When the provision is measured using estimated cash flows to settle the existing obligation, its carrying amount represents the present value of these cash flows. Provisions must be reviewed at the end of each reporting period, and if no future cash flows are expected, the provisions are reversed.

When some or all of the economic benefits required to settle the provision are expected to be recovered from a third party, the receivable is recognized as an asset, and not as a reduction in the required provision, and the amount of the asset allocated may not exceed the provision if it is virtually certain that it will be recovered and can be reliably measured.

Contingent assets and liabilities represent potential rights and obligations arising from past events, the existence of which will only be confirmed upon the occurrence or non-occurrence of one or more uncertain future events that are not entirely within the Company's control.

Expenses

Cost of goods sold

The cost of goods sold is determined based on the cost of production or purchase, adjusted for inventory fluctuations. All other expenses, including advertising and promotional costs, are recorded when the company receives the risks and benefits associated with ownership or when it receives services.

Sales and marketing expenses

Sales and marketing expenses include all costs associated with selling and marketing the company's products, including advertising expenses, marketing fees, and general sales-related expenses. Allocation between selling and marketing expenses and cost of sales is made consistently as needed.

General and administrative expenses

General and administrative expenses include direct and indirect costs that are not considered a defined part of the cost of sales or the company's sales and marketing activities. Allocation between general and administrative expenses and cost of sales is made consistently as needed.

Earnings per share

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for shares held by the Company. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, after taking into account the effect of all dilutive potential shares, which include convertible bonds and share options granted to employees, if any.

Transactions with related parties

Transactions with related parties are priced at fair market prices. These prices are determined using the comparative non-dominant pricing method, which sets the price by reference to the prices of similar goods and services sold in a similar economic market to a buyer unrelated to the seller.

Events after the Consolidated Balance Sheet Date

The Company adjusts the financial statements if an event occurs after the end of the reporting period that provides additional evidence of conditions that existed at the end of the period, including events that indicate that the going concern assumption is not appropriate for all or part of the Company. These adjustments are made up to the date of approval of the consolidated financial statements by the Board of Directors.

Borrowing costs

Direct borrowing costs incurred to acquire, create, or produce qualifying assets—assets that necessarily require a long period of time, usually more than a year, to be ready for their intended use or sale—are capitalized as part of the cost of those assets until they are ready for use or sale. Borrowing costs are not capitalized during periods when the assets are not actively being prepared (i.e., downtime).

When variable-rate loans are used to finance a qualifying asset and are hedged by an effective hedging instrument to cover interest rate risk, the effective portion of the hedging instrument is recognized in other consolidated comprehensive income and then reclassified to the consolidated income statement when the qualifying asset impacts profit or loss.

For eligible assets financed by fixed-rate loans and effectively hedged against fair interest risk, capitalized borrowing costs reflect the hedged interest rate. Any investment income earned from temporary investments of the specified loans awaiting expenditure on eligible assets is deducted from eligible capitalized borrowing costs.

All other borrowing costs that do not meet the capitalization criteria are recognized in the consolidated income statement in the period in which they are incurred.

Key accounting estimates and judgments

The preparation of the consolidated financial statements requires the Company's management to exercise professional judgment and make estimates and assumptions that affect the application of policies and the amounts reported for revenues, expenses, assets, liabilities and disclosures. These estimates and accompanying assumptions are based on historical experience and various other factors believed to be reasonable under the prevailing circumstances. Actual results may differ from these estimates.

Key estimates and assumptions are reviewed on a continuous basis. Revisions are recognized on the basis of the period in which the estimate is adjusted if the adjustment affects that period only, or on the current and future periods if the adjustment affects both.

The following are the key estimates and judgments that have the greatest impact on the amounts recognized in the consolidated financial statements:

Lease contract duration

When determining the lease contract duration, management takes into account all facts and circumstances that create an economic incentive to exercise an extension or termination option. This assessment is reviewed if any significant event or material change in circumstances occurs that affects this assessment. During the current fiscal year, there was no material financial impact resulting from the review of lease contract terms to reflect the effect of exercising extension or termination options.

Depreciation and amortization on non-current assets

Depreciation and amortization are recognized to write off the cost of assets after deducting their residual value over their useful life using appropriate methods. Company management estimates the useful life, residual value, and depreciation method and reviews them at the end of each accounting period. Any changes in estimation are recognized proactively.

Zakat and income taxes

When the amount of zakat and tax-related liabilities or assets is uncertain, the company recognizes provisions that reflect management's best estimate of the most probable outcome based on known facts in the relevant jurisdiction. Any differences between the zakat and tax estimates and the final tax assessments are recorded in the consolidated income statement for the period in which they occur, unless otherwise expected.

Provision for doubtful debts

The provision for doubtful receivables represents the company's estimate of losses that may arise from customers' failure or inability to pay when due. These estimates are based on the age of customer balances, specific credit conditions, and the company's past experience with bad debts.

Impairment for tangible and intangible assets

At the end of each financial period, the company estimates the carrying amount of its tangible and intangible assets to determine if there is any evidence of impairment losses. If there is any indication of impairment, the recoverable amount of the asset is estimated to determine the extent of the impairment loss, if any.

Provision for slow moving, obsolete and damaged inventory

Management makes a provision for slow moving, obsolete and damaged inventory items. Estimates of the net realizable value of inventory are based on the most reliable evidence available when making the estimates, taking into account price or cost fluctuations related to events occurring after the balance sheet date if these events confirm conditions existing at the end of the year. During the year, the Company reviewed its estimates for the inventory provision, the details of which are included in the inventory section.

Potential risks (contingent liabilities)

Given their nature, contingent liabilities are only resolved when one or more future events occur or do not occur. Assessing these liabilities requires considerable professional judgment and an assessment of the potential consequences of future events.

Company obligations to employees under defined benefit plans

Obligations relating to long-term employee benefits are measured at the present value of estimated future cash flows expected from the Company as a result of employee services up to the reporting date.

The Company determines the appropriate discount rate at the date of each financial report. When determining the appropriate discount rate, management takes into account interest rates on corporate bonds denominated in the currency in which the benefits will be paid and whose maturity period is close to the expected duration of the relevant retirement obligation.

Summary of financial information and key performance indicators

The financial information of the Company presented below has been extracted from the financial statements for fiscal years 2022G, 2023G and 2024G and the condensed interim financial statements for the nine-month period of fiscal year 2025G. The selected financial information and key performance indicators of the Company must be read in conjunction with the information contained in the **"Risk Factors" section** and the **"Financial Information and Management's Discussion and Analysis" section.**

5-4 Financing Structure

Table (45): Financing Structure

Million Saudi Riyals	2022G	2023G	2024G	September 30, 2025G
Total Liabilities	306.6	302.5	268.2	216.7
Total Debt	210	183.6	159.5	127.9
Cash and cash equivalents	6.4	3.4	2.8	2.1
Capital	108.9	108.9	108.9	108.9
Equity	105.4	90.1	47.9	39.3
Financing Structure (Total Debt + Equity)	315.4	273.7	207.4	167.2
Borrowing Rate (%) = (Total Debt / Financing Structure)	66.6%	67.1%	76.9%	76.5%

Source: The Company's Management

Table (46): Summary of the Company's Consolidated Income Statement and Statement of Comprehensive Income for the Financial Period Ending 31 December 2022G, 31 December 2023G, 31 December 2024G, and the 9 Months Ending 30 September 2025G

Million Saudi Riyals	2022G	2023G	2024G	Variance for the fiscal year 2022G-2023G	Variance for the fiscal year 2023G-2024G	September 30, 2024G	September 30, 2025G	Variance for 9 months of fiscal year 2024G and the 9 months of fiscal year 2025G
Revenue – Net	280.2	260.5	196.8	(7.03%)	(24.49%)	158.4	63.3	(60.04%)
Gross Profit	49.9	53.9	17.7	7.82%	(67.10%)	18.5	(0.99)	(105.34%)
Operating Profit/(Loss)	10.9	21.2	(22.5)	94.50%	(206.13%)	(11.1)	(1.2)	(89.19%)
Profit/(Loss) for the Year	(1.4)	(15.9)	(42.6)	1035.71%	169.81%	(24.2)	(8.7)	(64.05%)
Financial Key Performance Indicators								
Gross Profit Margin	17.81%	20.65%	9.00%			11.68%	(1.56%)	
Operating Profit Margin	3.89%	8.14%	(11.44%)			(7.01%)	(1.90%)	
Net Profit Margin	(0.50%)	(6.10%)	(21.81%)			(15.28%)	(13.74%)	
Operational Key Performance Indicators								
Combined Production Capacity								
Carpet (Million Square Meters)	4000	4000	4000	0%	0%	3,000	2,800	(7%)
Rugs (Million Square Meters)	22,000	22,000	22,000	0%	0%	16,500	16,500	0%
Yarns (Million Kilograms)	15,000	15,000	15,000	0%	0%	11,250	11,250	0%
Actual Production								
Carpet (Million Square Meters)	3,128	2,826	1,811	90%	(36%)	1,532	521	(66%)

Million Saudi Riyals	2022G	2023G	2024G	Variance for the fiscal year 2022G-2023G	Variance for the fiscal year 2023G-2024G	September 30, 2024G	September 30, 2025G	Variance for 9 months of fiscal year 2024G and the 9 months of fiscal year 2025G
Rugs (Million Square Meters)	12,237	12,690	6,886	104%	(46%)	6,096	2,108	(65%)
Yarns (Million Kilograms)	9,893	9,613	5,929	97%	(38%)	4,784	1,996	(58%)
Energy utilization (%)								
Carpet	78.20%	70.65%	45.28%	(10%)	(36%)	51.07%	18.61%	(64%)
Rugs	55.62%	57.68%	31.30%	4%	(46%)	36.95%	12.78%	(65%)
Yarns	65.95%	64.09%	39.53%	(3%)	(38%)	42.52%	17.74%	(58%)

Source: Consolidated financial statements for the fiscal years ended December 31, 2022G, December 31, 2023G, and December 31, 2024G, and for the nine-month period of fiscal year 2025G, and company's management.

Table (47): Summary of the consolidated financial statements of the company as of December 31, 2022G, December 31, 2023G, December 31, 2024G, and the nine months ending September 30, 2025G.

Summary of the consolidated financial statements					
Million Saudi Riyals	2022G	2023G	2024G	September 30, 2024G	September 30, 2025G
Non-current assets	179.8	169.5	159.6	159.6	146.6
Current assets	232.2	223.1	156.5	185.5	109.3
Non-current liabilities	177.7	120.5	140.1	149.1	111.4
Current liabilities	128.9	182	128.1	130.1	105.3
Net assets	**105.4**	**90.1**	**47.9**	**65.9**	**39.2**
Represented by:					
Capital	108.9	108.9	108.9	108.9	108.9
Accumulated Losses	(3.5)	(18.8)	(61)	(43)	(69.7)
Equity	**105.4**	**90.1**	**47.9**	**66.0**	**39.3**
Key Performance Indicators					
Liquidity ratio (Times)	1.80	1.23	1.22	1.43	1.04
Asset turnover ratio (Times)	0.68	0.66	0.62	0.46	0.25
Inventory turnover ratio (Times)	1.34	1.32	1.55	1.04	0.64
Return on assets (%)	(0.34%)	(4.05%)	(13.48%)	(7.01%)	(3.40%)
Return on equity (%)	(1.33%)	(17.65%)	(88.94%)	(36.68%)	(22.14%)
Debt-to-equity ratio (Times)	2.91	3.36	5.60	4.23	5.51

Source: Consolidated financial statements for the fiscal years ended December 31, 2022G, December 31, 2023G, and December 31, 2024G, and for the nine-month period of fiscal year 2025G, and company's management.

5-5 Consolidated statement of profit and loss and comprehensive income

Table (48): Consolidated Financial Statement of Profit and Loss and Other Comprehensive Income of the Company for the fiscal year ended December 31, 2022G, December 31, 2023G, December 31, 2024G, and the 9 months ended September 30, 2025G

Consolidated financial statement of profit and loss and other comprehensive income								
Million Saudi Riyals	2022G	2023G	2024G	Variance for the fiscal year 2022G-2023G	Variance for the fiscal year 2023G-2024G	September 30, 2024G	September 30, 2025G	Variance for 9 months of fiscal year 2024G and the 9 months of fiscal year 2025G
Revenue - Net	280.2	260.5	196.7	(7.0%)	(24.5%)	158.4	63.3	(60.04%)
Cost of Sales	(230.3)	(206.6)	(179.0)	(10.3%)	(13.4%)	(139.9)	(64.3)	(54.04%)
Gross Profit	**49.9**	**53.9**	**17.7**	**8.0%**	**(67.2%)**	**18.5**	**(0.99)**	**(105.34%)**
Selling and Distribution Expenses	(29.4)	(32.2)	(26.9)	9.5%	(16.5%)	(19.8)	(14.5)	(26.77%)
General and Administrative Expenses	(16.7)	(12.8)	(11.7)	(23.4%)	(8.6%)	(8.6)	(7.8)	(9.30%)
Impairment of Current Assets - Net	(1.7)	7.7	(0.4)	(552.9%)	(105.2%)	0.3	(0.4)	(233.33%)
Other Net Income	8.9	4.6	(1.3)	(48.3%)	(128.3%)	(1.4)	22.5	(1707.14%)
Operating Profit/(Loss)	**10.9**	**21.2**	**(22.5)**	**94.5%**	**(206.1%)**	**(11.1)**	**(1.2)**	**(89.19%)**
Profit/(Loss) due to changes in the fair value of derivatives	1.3	(0.2)	-	(115.4%)	-	-		-
Profit/(Loss) on equity in associates and joint ventures	0.7	0.6	(0.2)	(14.3%)	(133.3%)	(0.1)		(100%)
Financing costs	(7.4)	(11.1)	(14.2)	50.0%	27.9%	(10.7)	(7.5)	(29.91%)
Profit/(Loss) Before Zakat	**5.5**	**10.5**	**(36.8)**	**90.9%**	**(450.5%)**	**(21.8)**	**(8.7)**	**(60.09%)**
Zakat	(6.9)	(26.5)	(5.8)	284.1%	(78.1%)	(2.4)	-	(100.00%)
Profit/(Loss) for the Year	**(1.4)**	**(15.9)**	**(42.6)**	**1035.7%**	**167.9%**	**(24.2)**	**(8.7)**	**(64.05%)**
Other Comprehensive Income								
Items that will not be reclassified to profit or loss at a later date:								
Loss on revaluation of defined employee benefit liabilities	(2.2)	0.7	0.3	(130.4%)	(57%)			(57%)
Total Comprehensive Income/Loss for the Year /Period	**(3.6)**	**(15.2)**	**(42.2)**	**322.2%**	**177.6%**	**(24.2)**	**(8.7)**	**177.63%**

Source: Consolidated financial statements for the fiscal years ended December 31, 2022G, December 31, 2023G, and December 31, 2024G, and for the nine-month period of fiscal year 2025G.

5-5-1 Revenues

Table (49): Details the company's revenues for the fiscal year ending December 31, 2022G, December 31, 2023G, December 31, 2024G, and the nine months ending September 30, 2025G.

Revenues								
Million Saudi Riyals	2022G	2023G	2024G	Variance for the fiscal year 2022G-2023G	Variance for the fiscal year 2023G-2024G	September 30, 2024G	September 30, 2025G	Variance for 9 months of fiscal year 2024G and the 9 months of fiscal year 2025G
Local	236.4	223.9	164.3	(5.3%)	(26.6%)	137.5	54.3	(60.5%)
Export	43.8	36.6	32.5	(16.4%)	(11.2%)	20.9	9.0	(56.9%)
Total	**280.2**	**260.5**	**196.8**	**(7.0%)**	**(24.5%)**	**158.4**	**63.3**	**(60.0%)**

Source: Consolidated financial statements for the fiscal years ended December 31, 2022G, December 31, 2023G, and December 31, 2024G, and for the nine-month period of fiscal year 2025G, and company's management.

Revenues include both domestic sales and export sales. Domestic sales relate to revenues generated from carpet, rug and yarn products through wholesale and retail channels within the Kingdom. Domestic revenues declined from 236.4 million Saudi Riyals in fiscal year 2022G to 223.9 million Saudi Riyals in fiscal year 2023G (-5.3%), and decreased further to 164.3 million Saudi Riyals in fiscal year 2024G (-26.6%), reflecting liquidity and financial constraints that affected the production capacity of key product categories.

Export sales represent shipments to regional and international markets. Export revenues amounted to 43.8 million Saudi Riyals in fiscal year 2022G, and declined to 36.6 million Saudi Riyals in fiscal year 2023G (-16.4%) and to 32.5 million Saudi Riyals in fiscal year 2024G (-11.2%). This decline reflects a decrease in international order volumes and weak demand from export markets. The Company continues to export to several countries, with markets such as Yemen, Jordan and Sudan remaining among the key contributors to export sales.

During the nine-month period ending 30 September 2025G, the Company recorded a significant decline in revenues compared to the corresponding period of the previous year. Domestic sales declined from 137.5 million Saudi Riyals as of 30 September 2024G to 54.3 million Saudi Riyals as of 30 September 2025G, representing a contraction of 60%, attributable primarily to the continued production and liquidity constraints that affected the Company's ability to meet demand across key product categories. Export sales also declined significantly, from 20.9 million Saudi Riyals to 9.0 million Saudi Riyals (-56.9%), reflecting decreased order volumes and weak demand conditions in the Company's key export markets. As a result, total revenues for the nine-month period ending 30 September 2025G declined to 63.3 million Saudi Riyals.

Revenue by Business Unit

Table (50): Details of the company's revenues by business unit for the fiscal years ending December 31, 2022G, December 31, 2023G, and December 31, 2024G, and the nine months ending September 30, 2025G.

Revenue by Business Unit								
Million Saudi Riyals	2022G	2023G	2024G	Variance for the fiscal year 2022G-2023G	Variance for the fiscal year 2023G-2024G	September 30, 2024G	September 30, 2025G	Variance for 9 months of fiscal year 2024G and the 9 months of fiscal year 2025G
Carpet Products	139.7	138.4	96.2	(0.9%)	(30.5%)	80.3	26.8	(66.6%)
Rugs Products	85.7	79.0	60.8	(7.9%)	(23.1%)	47.2	19.8	(58.0%)
Yarns	25.8	22.2	19.2	(14.0%)	(13.4%)	14.8	8.7	(41.2%)
Commercial Products	23.7	18.3	15.9	(22.6%)	(13.4%)	12.3	4.8	(61.0%)
Other	5.2	2.6	4.7	(50.2%)	79.9%	3.8	3.1	(19.1%)
Total	**280.2**	**260.5**	**196.8**	**(7.0%)**	**(24.5%)**	**158.4**	**63.3**	**60.0%**

Revenue by Business Unit								
Million Saudi Riyals	2022G	2023G	2024G	Variance for the fiscal year 2022G-2023G	Variance for the fiscal year 2023G-2024G	September 30, 2024G	September 30, 2025G	Variance for 9 months of fiscal year 2024G and the 9 months of fiscal year 2025G
% of total revenue								
Carpet Products	49.9%	53.1%	48.9%			50.7%	42.4%	
Rugs Products	30.6%	30.3%	30.9%			29.8%	31.3%	
Yarns	9.2%	8.5%	9.8%			9.3%	13.8%	
Commercial Products	8.4%	7.0%	8.1%			7.8%	7.5%	
Other	1.9%	1.0%	2.4%			2.4%	5.0%	

Source: Consolidated financial statements for the fiscal years ended December 31, 2022G, December 31, 2023G, and December 31, 2024G, and for the nine-month period of fiscal year 2025G, and company's management.

Carpet product revenues declined slightly from 139.7 million Saudi Riyals in fiscal year 2022G to 138.4 million Saudi Riyals in fiscal year 2023G, a decline of 0.9%. They then experienced a sharp decline to reach 96.2 million Saudi Riyals in fiscal year 2024G, recording a decrease of 30.5% compared to fiscal year 2023G. This decline is primarily attributable to a decrease in sales volumes due to production constraints resulting from liquidity challenges, despite the existence of an outstanding order backlog that was not fulfilled due to the unavailability of the required raw materials.

Rugs product revenues declined from 85.7 million Saudi Riyals in fiscal year 2022G to 79.0 million Saudi Riyals in fiscal year 2023G, a decrease of 7.9%, and this downward trend continued with revenues reaching 60.8 million Saudi Riyals in fiscal year 2024G, a decrease of 23.1% compared to fiscal year 2023G. This decline is attributable to production constraints resulting from liquidity issues, despite the existence of unfulfilled orders due to a shortage of the required raw materials.

Yarns revenues also declined from 25.8 million Saudi Riyals in fiscal year 2022G to 22.2 million Saudi Riyals in fiscal year 2023G, a decrease of 14.0%, and continued to decline to reach 19.2 million Saudi Riyals in fiscal year 2024G, recording an annual decrease of 13.4%. This decline is attributable to production constraints associated with liquidity challenges.

Commercial products revenues recorded a notable decline from 23.7 million Saudi Riyals in fiscal year 2022G to 18.3 million Saudi Riyals in fiscal year 2023G, a decrease of 22.6%, then declined to 15.9 million Saudi Riyals in fiscal year 2024G, a decrease of 13.4% compared to fiscal year 2023G. This is primarily attributable to a decrease in sales volumes.

As for other revenues, they declined from 5.2 million Saudi Riyals in fiscal year 2022G to 2.6 million Saudi Riyals in fiscal year 2023G, a decrease of 50.2%, then increased to 4.7 million Saudi Riyals in fiscal year 2024G, achieving growth of 79.9% compared to fiscal year 2023G. This increase is attributable to an increase in installation service revenues, which require lower material consumption compared to other activities.

Revenues declined by 60% to reach 63.3 million Saudi Riyals compared to the nine-month period of fiscal year 2024G, driven by a sharp contraction across all revenue segments, namely: carpet (-66.6%), rugs (-58.0%), commercial products (-61.0%), and yarns (-41.2%). This decline is primarily attributable to liquidity constraints and raw material shortages, which led to reduced production and the inability to fulfill orders.

Revenue by Customer Category

Table (51): Revenue by Customer Category

Revenue by Customer Category								
Million Saudi Riyals	2022G	2023G	2024G	Variance for the fiscal year 2022G-2023G	Variance for the fiscal year 2023G-2024G	September 30, 2024G	September 30, 2025G	Variance for 9 months of fiscal year 2024G and the 9 months of fiscal year 2025G
Wholesale Customers	155.5	158.5	112.6	2%	(29%)	88.4	32.3	(63.5%)
Key Customers	48.7	34.0	24.3	(30%)	(28%)	24.3	9.4	(61.3%)
International Sales	35.2	30.3	8.6	(14%)	(72%)	6.6	3.3	(49.8%)
Contract and Project Sales	18.5	19.3	21.6	4%	12%	16.1	4.3	(73.3%)
Retail Sales	9.6	11.0	9.0	14%	(18%)	7.2	4.3	(39.9%)
Yarns	11.0	6.7	19.7	(39%)	193%	15.2	8.9	(41.6%)
Other	1.6	0.8	0.8	(51%)	6%	0.7	0.9	37.9%
Total	**280.2**	**260.5**	**196.8**	**(7.02%)**	**(24.40%)**	**158.4**	**63.3**	**(60.0%)**

Source: Consolidated financial statements for the fiscal years ended December 31, 2022G, December 31, 2023G, and December 31, 2024G, and for the nine-month period of fiscal year 2025G, and company's management.

Revenues from wholesale customers increased from 155.5 million Saudi Riyals in fiscal year 2022G to 158.5 million Saudi Riyals in fiscal year 2023G (+2%), followed by a significant decline to 112.6 million Saudi Riyals in fiscal year 2024G (-29%). Despite the slight improvement in fiscal year 2023G, the sharp contraction in fiscal year 2024G reflects a decline in sales volumes resulting from financial and liquidity constraints as reported by management.

Revenues from key customers declined from 48.7 million Saudi Riyals in fiscal year 2022G to 34.0 million Saudi Riyals in fiscal year 2023G (-30%), and continued to decline to reach 24.3 million Saudi Riyals in fiscal year 2024G (-28% compared to fiscal year 2023G). This overall trend indicates a decline in sales volumes resulting from financial and liquidity constraints as reported by management.

Revenues from international sales declined from 35.2 million Saudi Riyals in fiscal year 2022G to 30.3 million Saudi Riyals in fiscal year 2023G (-14%), followed by a sharp decline to 8.6 million Saudi Riyals in fiscal year 2024G (-72%). This continuing trend indicates a decline in sales volumes resulting from financial and liquidity constraints. These results were affected by external factors including rising global shipping costs, slowing demand for consumer products in target markets, and geopolitical developments in the region and the world that impacted international trade flows. Shifts in the foreign trade structure associated with the Kingdom's focus on economic diversification in accordance with Vision 2030 also contributed to reshaping export patterns. This continuing trend indicates a decline in sales volumes resulting from financial and liquidity constraints.

Revenues from contracts increased slightly from 18.5 million Saudi Riyals in fiscal year 2022G to 19.3 million Saudi Riyals in fiscal year 2023G (+4%), then grew further to reach 21.6 million Saudi Riyals in fiscal year 2024G (+12%). This stable trend indicates the continuation of customer engagement through contracts, with increased direct activity in fiscal year 2024G, attributable primarily to reduced material dependency in installation contracts, as indicated by management.

Retail sector revenues increased from 9.6 million Saudi Riyals in fiscal year 2022G to 11.0 million Saudi Riyals in fiscal year 2023G (+14%), followed by a decline to 9.0 million Saudi Riyals in fiscal year 2024G (-18%). Despite the fluctuation, retail sales remained generally stable, ranging between 9-11 million Saudi Riyals during the period from 2022G to 2024G.

As of the end of the nine-month period ending 30 September 2025G, total revenues declined by more than 60% compared to 158.4 million Saudi Riyals at the end of the nine-month period ending 30 September 2024G. The decline encompassed all customer categories, with wholesale revenues declining by 63.5%, key customers by approximately 61.3%, international sales by 49.8%, contracts and projects by 73.3%, and retail and yarn customer revenues declining by 39.9% and 41.6% respectively. These declines reflect the continued impact of financial and liquidity constraints and limited production activity, which limited the Company's ability to meet demand in both domestic and international markets.

5-5-2 Cost of Sales

Table (52): Details of the company's cost of sales for the fiscal year ending December 31, 2022G, December 31, 2023G, December 31, 2024G, and the nine months ending September 30, 2025G

Cost of Sales								
Million Saudi Riyals	2022G	2023G	2024G	Variance for the fiscal year 2022G-2023G	Variance for the fiscal year 2023G-2024G	September 30, 2024G	September 30, 2025G	Variance for 9 months of fiscal year 2024G and the 9 months of fiscal year 2025G
Raw materials consumed	145.1	140.5	94.5	(3.2%)	(32.7%)	78.4	26.6	(66.0%)
Salaries and employee benefits	25.9	30.5	27.5	17.8%	(9.8%)	20.7	14.1	(31.8%)
Depreciation	14.9	12.2	10.1	(18.1%)	(17.2%)	7.8	6.0	(23.5%)
Fuel and energy	11.7	12.5	9.1	6.8%)	(27.2%)	7.3	3.3	(55.6%)
Spare parts and consumables	7.7	3.7	0.9	(51.9%)	(75.7%)	0.5	0.5	(12.1%)
Other	5.9	4.9	4.3	(16.9%)	(12.2%)	3.2	2.5	(22.4%)
Total operating costs	**211.2**	**204.3**	**146.4**	**(3.3%)**	**(28.3%)**	**118.0**	**52.9**	**(55.1%)**
Change in inventory balance	19.2	2.3	32.7	(88.0%)	1321.7%	21.9	11.4	(48.0%)
Total	**230.3**	**206.6**	**179**	**(10.3%)**	**(13.4%)**	**139.9**	**64.3**	**(54.0%)**

Source: Consolidated financial statements for the fiscal years ended December 31, 2022G, December 31, 2023G, and December 31, 2024G, and for the nine-month period of fiscal year 2025G.

Raw materials consumed declined from 145.1 million Saudi Riyals in fiscal year 2022G to 140.5 million Saudi Riyals in fiscal year 2023G (-3.2%), then to 94.5 million Saudi Riyals in fiscal year 2024G (-32.8%). Given the significant decline in revenues during the same period (from 280.2 million Saudi Riyals to 196.8 million Saudi Riyals), raw materials continued to represent the largest cost component, but declined noticeably as a percentage of sales, reflecting the decrease in production.

Salaries and employee benefits increased from 25.9 million Saudi Riyals to 30.5 million Saudi Riyals in fiscal year 2023G (+17.8%), and decreased to 27.5 million Saudi Riyals in fiscal year 2024G (-9.8%). Given that sales declined at a faster pace than salary costs, this category increased slightly as a percentage of sales in fiscal years 2023G and 2024G, indicating a relatively fixed cost structure. The increase in employee salaries and benefits during fiscal year 2023G is attributable to the need of production lines for a relatively stable workforce.

Depreciation expenses declined from 14.9 million Saudi Riyals to 12.2 million Saudi Riyals (-18.1%) then to 10.1 million Saudi Riyals (-17.2%). With the significant decline in revenues, depreciation represented a slightly higher percentage of sales, and the decline is attributable to the application of depreciation in accordance with the units of production method.

Fuel and electricity costs increased from 11.7 million Saudi Riyals to 12.5 million Saudi Riyals (+6.8%) then declined to 9.1 million Saudi Riyals (-27.2%). The ratio of fuel and electricity to sales remained relatively stable in fiscal years 2022G-2023G, but declined in fiscal year 2024G in line with the decrease in consumption.

Spare parts and consumables costs declined sharply from 7.7 million Saudi Riyals to 3.7 million Saudi Riyals (-52.0%) then to 0.9 million Saudi Riyals (-75.7%), driven by the decline in sales and production which limited the consumption of spare parts and consumables.

Other operational costs declined from 5.9 million Saudi Riyals to 4.9 million Saudi Riyals (-17.0%) then to 4.3 million Saudi Riyals (-12.2%). This category remained small and stable as a percentage of sales across all years.

Total operational costs declined from 211.2 million Saudi Riyals in fiscal year 2022G to 204.3 million Saudi Riyals (-3.3%) then to 146.4 million Saudi Riyals in fiscal year 2024G (-28.3%). However, due to the faster decline in sales, operational costs as a percentage of sales remained high, which constrained gross profit margins.

Changes in inventory declined from 19.2 million Saudi Riyals to 2.3 million Saudi Riyals (-88.0%) before increasing sharply to 32.7 million Saudi Riyals (+1,305.9%) in fiscal year 2024G, attributable primarily to increased consumption of existing inventory amid limited new purchases.

5-5-3 Selling and Distribution Expenses

Table (53): Details of the company's selling and distribution expenses for the fiscal year ending December 31, 2022G, December 31, 2023G, December 31, 2024G and the nine months ending September 30, 2025G

Selling and Distribution Expenses								
Million Saudi Riyals	2022G	2023G	2024G	Variance for the fiscal year 2022G-2023G	Variance for the fiscal year 2023G-2024G	September 30, 2024G	September 30, 2025G	Variance for 9 months of fiscal year 2024G and the 9 months of fiscal year 2025G
Employee Costs	16.1	16.9	12.4	4.9%	(26.6%)	9.4	8.4	(10.65%)
Rent	3.0	2.9	3.4	(3.3%)	17.2%	2.4	2.5	3.62%
Travel and transportation	4.7	5.1	4.5	8.5%	(11.8%)	3.6	1.2	(66.53%)
Depreciation	1.1	0.9	0.9	(18.2%)	0.0%	0.7	0.7	4.97%
Advertising	0.07	0.1	0.06	42.9%	(40.0%)	0.1	0.03	(60.92%)
Sales commission	1.0	1.9	1.6	90.0%	(15.8%)	1.1	0.05	(95.31%)
Insurance	0.1	0.06	0.06	(40.0%)	0.0%	0.0	-	-
Benefits	0.6	0.5	0.6	(16.7%)	20.0%	0.5	0.3	(37.00%)
Repair and maintenance	0.4	0.4	0.3	0.0%	(25.0%)	0.2	0.1	(46.42%)
Government expenses	0.2	0.3	0.2	50.0%	(33.3%)	0.1	0.1	(20.33%)
Other	2.2	2.9	2.8	31.8%	(3.5%)	1.8	1.2	(31.86%)
Total	**29.4**	**32.2**	**26.8**	**9.5%**	**(16.8%)**	**19.8**	**14.5**	**(26.76%)**

Source: Consolidated financial statements for the fiscal years ended December 31, 2022G, December 31, 2023G, and December 31, 2024G, and for the nine-month period of fiscal year 2025G.

Employee costs increased slightly from 16.1 million Saudi Riyals in fiscal year 2022G to 16.9 million Saudi Riyals in fiscal year 2023G (+5.0%) before declining to 12.4 million Saudi Riyals in fiscal year 2024G (-26.6%). As a percentage of sales, employee costs in fiscal year 2024G were in line with the decline in sales volume.

Rental expenses remained largely stable, declining from 3.0 million Saudi Riyals to 2.9 million Saudi Riyals (-3.3%) in fiscal year 2023G, then increasing to 3.4 million Saudi Riyals in fiscal year 2024G (+17.2%) as a result of the renewal of expired lease contracts at higher rental rates.

Travel and transportation expenses increased from 4.7 million Saudi Riyals to 5.1 million Saudi Riyals (+8.5%) in fiscal year 2023G, before declining to 4.5 million Saudi Riyals (-11.8%) in fiscal year 2024G. The decline in fiscal year 2024G primarily reflects lower sales levels, while expenses generally remained in line with revenues during the period. These expenses include both employee travel and shipping costs.

Depreciation expenses declined from 1.1 million Saudi Riyals in fiscal year 2022G to 0.9 million Saudi Riyals in fiscal year 2023G (-18.2%) and remained at 0.9 million Saudi Riyals in fiscal year 2024G. As a percentage of sales, depreciation remained low and stable.

Advertising and marketing expenses declined significantly from 0.07 million Saudi Riyals to 0.1 million Saudi Riyals (-42.9%) in fiscal year 2023G, then to 0.06 million Saudi Riyals in fiscal year 2024G (-40%), reflecting minimal marketing expenditure in fiscal year 2024G.

As a result of the increase in sales commissions, they increased from 1.0 million Saudi Riyals to 1.9 million Saudi Riyals (+90.0%) in fiscal year 2023G, then declined to 1.6 million Saudi Riyals in fiscal year 2024G (-15.8%). As a percentage of sales, commissions remained relatively small.

Insurance expenses declined from 0.1 million Saudi Riyals to 0.06 million Saudi Riyals (-40%) and remained unchanged in fiscal year 2024G.

Utility expenses remained stable at 0.6 million Saudi Riyals in fiscal year 2024G after being 0.5 million Saudi Riyals in fiscal year 2023G, maintaining a small share of total selling expenses.

Maintenance and repair expenses remained low, moving from 0.4 million Saudi Riyals to 0.4 million Saudi Riyals in fiscal year 2023G, then to 0.3 million Saudi Riyals in fiscal year 2024G (-25.0%).

Government expenses remained at 0.2 million Saudi Riyals in fiscal year 2022G, increased to 0.3 million Saudi Riyals (+50%) in fiscal year 2023G before declining to 0.2 million Saudi Riyals in fiscal year 2024G (-33.3%).

Other expenses increased from 2.2 million Saudi Riyals to 2.9 million Saudi Riyals (+31.8%) in fiscal year 2023G, then declined to 2.8 million Saudi Riyals in fiscal year 2024G (-3.5%).

Due to higher employee costs, shipping expenses and sales commissions, total selling and distribution expenses increased from 29.4 million Saudi Riyals in fiscal year 2022G to 32.2 million Saudi Riyals in fiscal year 2023G (+9.5%), before declining to 26.8 million Saudi Riyals in fiscal year 2024G (-16.8%) in line with the decline in revenues.

At the end of the nine-month period of fiscal year 2025G, selling and distribution expenses declined by 26.8% to reach 14.5 million Saudi Riyals, driven by a decrease in travel and transportation expenses (-66.5%), sales commissions (-95.3%), and a decline in employee costs (-10.7%), reflecting management's cost controls amid weak sales.

5-5-4 General and Administrative Expenses

Table (54): Details of the company's general and administrative expenses for the fiscal year ending December 31, 2022G, December 31, 2023G, December 31, 2024G and the nine months ending September 30, 2025G

General and Administrative Expenses								
Million Saudi Riyals	2022G	2023G	2024G	Variance for the fiscal year 2022G-2023G	Variance for the fiscal year 2023G-2024G	September 30, 2024G	September 30, 2025G	Variance for 9 months of fiscal year 2024G and the 9 months of fiscal year 2025G
Employee costs	10.9	8.8	8.7	(19.3%)	(1.1%)	6.7	6.00	(10.5%)
Depreciation	0.3	0.3	0.2	0.0%	(33.3%)	0.2	0.1	(50.0%)
Amortization	0.2	0.2	0.04	0.0%	(80.0%)			-
Professional fees	0.9	0.3	0.08	(66.7%)	(73.3%)	0.3	0.3	0.0%
Board and executive committee remuneration	1.6	1.5	1.9	(6.3%)	26.7%	1.1	1.1	0.0%
Auditor fees		0.3	0.3	-	0.0%			-
Other	2.6	1.4	0.5	(46.2%)	(64.3%)	0.4	0.3	(25.0%)
Total	**16.6**	**12.8**	**11.7**	**(22.9%)**	**(8.6%)**	**8.7**	**7.8**	**(10.34%)**

Source: Consolidated financial statements for the fiscal years ended December 31, 2022G, December 31, 2023G, and December 31, 2024G, and for the nine-month period of fiscal year 2025G.

Employee costs declined from 10.9 million Saudi Riyals in fiscal year 2022G to 8.8 million Saudi Riyals in fiscal year 2023G (-19.3%), reflecting a reduction in the number of administrative employees and tighter control over employee-related expenditure. Costs remained approximately stable in fiscal year 2024G at 8.7 million Saudi Riyals (-1.1%), indicating no material changes in the workforce structure or compensation levels in general and administrative expenses during the year.

Depreciation expenses, relating to office equipment and administrative fixed assets, remained stable at 0.3 million Saudi Riyals in fiscal years 2022G and 2023G, before declining to 0.2 million Saudi Riyals in fiscal year 2024G (-33.3%), as a result of depreciation and a decline in additions to administrative assets.

Amortization expenses remained stable at 0.2 million Saudi Riyals in fiscal years 2022G and 2023G, before declining sharply to 0.04 million Saudi Riyals in fiscal year 2024G (-80.0%), as a result of a decrease in the amortization of software and information technology-related intangible assets.

Professional fees declined significantly from 0.9 million Saudi Riyals in fiscal year 2022G to 0.3 million Saudi Riyals in fiscal year 2023G (-66.7%), then to 0.08 million Saudi Riyals in fiscal year 2024G (-73.3%), and this decline reflects the continued reduction in the use of external advisors and the reclassification of auditor fees and tax or regulatory consulting fees.

Board of Directors and executive committees' remuneration declined slightly from 1.6 million Saudi Riyals in fiscal year 2022G to 1.5 million Saudi Riyals in fiscal year 2023G (-6.3%), before increasing to 1.9 million Saudi Riyals in fiscal year 2024G (+26.7%), and this increase reflects a rise in the number of Board and committee meetings and the execution of additional governance-related activities during the year.

Other administrative expenses declined significantly from 2.6 million Saudi Riyals in fiscal year 2022G to 1.4 million Saudi Riyals in fiscal year 2023G (-46.2%), then to 0.5 million Saudi Riyals in fiscal year 2024G (-64.3%), attributable to a decline in general administrative costs, a reduction in office expenses, and the implementation of stricter cost management initiatives.

In the 9 months of fiscal year 2025G, general and administrative expenses declined by 10% to reach 7.8 million Saudi Riyals compared to 8.7 million Saudi Riyals in the 9 months of fiscal year 2024G, driven by a decline in employee costs (-10.5%), a decrease in depreciation (-50%), and the continued rationalization of other administrative expenses (-25%), while auditor fees and Board of Directors expenses remained approximately stable.

5-5-5 Other Revenues/(Expenses)

Table (55): Other Revenues/(Expenses) for the fiscal years ended December 31, 2022G, December 31, 2023G, December 31, 2024G, and the nine months ended September 30, 2025

Other Revenues/(Expenses)								
Million Saudi Riyals	2022G	2023G	2024G	Variance for the fiscal year 2022G-2023G	Variance for the fiscal year 2023G-2024G	September 30, 2024G	September 30, 2025G	Variance for 9 months of fiscal year 2024G and the 9 months of fiscal year 2025G
Revenue from the sale of property, plant, and equipment	0.53	1.6	0.3	202%	(81%)	0.3	22.4	7367%
Reversal of interest accrued on loans	5.9	-	-	(100%)	-		-	-
Other	2.5	2.9	(1.6)	16%	(155%)	(1.8)	0.1	(106%)
Total	**8.9**	**4.5**	**(1.3)**	**(49.61%)**	**(%128.9)**	**(1.5)**	**22.5**	**(1600%)**

Source: Consolidated financial statements for the fiscal years ended December 31, 2022G, December 31, 2023G, and December 31, 2024G, and for the nine-month period of fiscal year 2025G.

Revenue from the sale of property, plant and equipment increased significantly from 0.53 million Saudi Riyals in fiscal year 2022G to 1.6 million Saudi Riyals in fiscal year 2023G (+202%), reflecting management's measures to generate short-term liquidity. In fiscal year 2024G, the income declined to 0.3 million Saudi Riyals (-81%), indicating limited disposal activity compared to the previous year. However, during the nine months of fiscal year 2025G, the Company sold an unused building (Savoile Buildings), realizing a profit of 22.4 million Saudi Riyals.

In fiscal year 2022G, the Company recorded 5.9 million Saudi Riyals as income from the reversal of accrued interest on loans following the restructuring of borrowings. No similar reversals were recorded in fiscal years 2023G or 2024G, resulting in a significant decline in total other income during these years.

Other income items increased from 2.5 million Saudi Riyals in fiscal year 2022G to 2.9 million Saudi Riyals in fiscal year 2023G (+16%), primarily as a result of higher gains from the sale of real estate, facilities and equipment (1.6 million Saudi Riyals), bank discount income resulting from obtaining a waiver from SAB Bank (2.5 million Saudi Riyals), and execution court revenues (0.2 million Saudi Riyals). This increase was partially offset by a decline in rental income and the non-recurrence of the accrued interest reversal recorded in fiscal year 2022G. This increase is attributable to non-recurring transactions and timing-related items rather than recurring operational revenues.

5-5-6 Profit/(Loss) due to changes in the fair value of derivatives

The company's financial derivatives consist primarily of currency swap contracts and interest rate swap contracts. These contracts form part of a loan restructuring agreement with a lending bank. Derivatives are mainly used to manage exposure to interest rate risk. As of December 2024G, the book value of the hedging instrument was zero.

5-5-7 Finance Costs

Finance costs are primarily related to interest, fees and expenses associated with the Company's outstanding loans. Finance costs amounted to 7.4 million Saudi Riyals in fiscal year 2022G, increased to 11.1 million Saudi Riyals in fiscal year 2023G, then to 14.2 million Saudi Riyals in fiscal year 2024G, and 7.5 million Saudi Riyals in the nine months of fiscal year 2025G. This upward trend reflects rising borrowing costs, increased utilization of credit facilities, and the impact of prevailing interest rates. Unlike previous years in which restructuring operations led to a decline in finance costs, the period 2022G-2024G shows a consistent annual increase in finance costs as a result of greater reliance on loans.

Table (56): Finance Costs

Finance Costs		
Bank	**Type of financing**	**Interest rate**
Saudi National Bank	Working capital and restructured term loan	SAIBOR + 2.25% - 2.5%
Al Rajhi Bank	Working capital and restructured loan	SAIBOR + 1.75%
Riyad Bank	Working capital and restructured loan	SAIBOR + 2.0%
Saudi Industrial Development Fund	Project and expansion financing	Preferential interest rate from the Infrastructure Development Fund (not disclosed)
Ministry of Finance	Short-term financing for suppliers	Interest-free (3% management fee payable quarterly on the outstanding balance)

Source: The Company's Management

5-5-8 Zakat

Zakat expenses amounted to 6.9 million Saudi Riyals in fiscal year 2022G, increased sharply to 26.4 million Saudi Riyals in fiscal year 2023G, then declined to 5.8 million Saudi Riyals in fiscal year 2024G. The significant increase in fiscal year 2023G primarily reflects settlements related to prior years, including 18.16 million Saudi Riyals related to fiscal years 2017G-2018G and 8.14 million Saudi Riyals related to fiscal years 2021G-2022G. These variations highlight the sensitivity of the zakat provision to changes in the Company's underlying financial position. It is worth noting that the Company did not recognize any zakat provision for the nine-month period of fiscal year 2025G, despite recording a provision in the same period of fiscal year 2024G.

5-6 Statement of Financial Position

Table (57): Consolidated Statement of Financial Position of the Company as of December 31, 2022G, December 31, 2023G, December 31, 2024G, and 9 months ending September 30, 2025G

Statement of Financial Position					
Million Saudi Riyals	2022G	2023G	2024G	September 30, 2024G	September 30, 2025G
Assets					
Non-Current Assets					
Property, Plant and Equipment – Net	150.6	139.6	133.0	132.6	122.6
Intangible Assets – Net	0.2	0.003	0.1	0.1	0.09
Investment in Associates and Joint Ventures	15.7	16.3	16.2	16.3	16.2
Right-of-Use Assets	13.1	13.6	10.3	10.6	7.7
Derivative Financial Instruments	0.2	0.003	-	0	0.00
Total Non-Current Assets	**179.8**	**169.5**	**159.6**	**159.6**	**146.6**
Current Assets					
Inventories, Net	108.4	106.2	61.1	75.7	41.9
Trade Receivables, Net	100.1	103.2	84.0	97.1	57.6
Due from Related Parties		0.2	-		
Prepayments and Other Receivables	17.2	10.0	8.6	10.1	7.7
Cash and Cash Equivalents	6.4	3.4	2.8	2.6	2.1
Total Current Assets	**232.1**	**223.0**	**156.5**	**185.5**	**109.3**
Total Assets	**411.9**	**392.6**	**316.1**	**345.1**	**255.9**
Equity and Liabilities					
Equity					
Capital	108.9	108.9	108.9	108.9	108.9
Accumulated Losses	(3.6)	(18.8)	(61.0)	(43.0)	(69.7)
Total Equity	**105.3**	**90.1**	**47.9**	**65.9**	**39.2**
Liabilities					
Non-Current Liabilities					
Term Loans and Bank Borrowings	148.3	90.3	113.5	123.5	87.8
Right-of-use Obligations	6.7	6.3	4.2	3.3	3.2
Defined Benefit Obligations for Employees	22.7	23.9	22.3	22.3	20.4
Total Non-Current Liabilities	**177.7**	**120.5**	**140.0**	**149.1**	**111.4**
Current Liabilities					
Term Loans and Bank Borrowings	61.7	93.2	46.00	41.3	40.1
Right-of-use Obligations	3.7	3.9	2.90	4.0	2.0
Trade Payables	29.9	30.1	31.50	29.4	21.0
Due to Related Parties	6.3	7.6	5.80	7.4	4.2
Other Payables	20.5	15.3	13.30	19.1	18.8
Zakat Due	6.8	31.9	28.70	28.9	19.2
Total Current Liabilities	**128.9**	**182.0**	**128.2**	**130.1**	**105.3**
Total Liabilities	**306.6**	**302.5**	**268.2**	**279.2**	**216.7**
Total Equity and Liabilities	**411.9**	**392.6**	**316.1**	**345.1**	**255.9**

Source: Consolidated financial statements for the fiscal years ended December 31, 2022G, December 31, 2023G, and December 31, 2024G, and for the nine-month period of fiscal year 2025G.

The Company's liquidity ratios deteriorated during the historical period, as current assets declined from 232.1 million Saudi Riyals in fiscal year 2022G to 109.3 million Saudi Riyals in the first nine months of fiscal year 2025G, as a result of a decline in receivables and limited working capital financing, while current liabilities increased from 128.9 million Saudi Riyals in fiscal year 2022G to 182.0 million Saudi Riyals in fiscal year 2023G and then declined to 128.2 million Saudi Riyals in fiscal year 2024G, where liquidity pressures were further affected by operating losses, higher financing costs, and the reclassification of loans due to non-compliance with contractual terms.

Management is working to address these challenges through capital increase by way of a Preemptive Rights Shares offering to meet business needs, such as settling commercial obligations including existing interest-related obligations, negotiating with lenders to obtain waivers from financial covenants, improving cost efficiency, tightening working capital controls, and implementing initiatives to enhance production efficiency and revenue growth. Based on these measures, management is confident in its ability to meet obligations as they fall due.

5-6-1 Property, Plant and Equipment

Table (58): Property, Plant and Equipment as of December 31, 2022G, December 31, 2023G, December 31, 2024G and 9 months ending September 30, 2025G

Property, Plant and Equipment					
Million Saudi Riyals	2022G	2023G	2024G	September 30, 2024G	September 30, 2025G
Cost					
Opening Balance					
Machinery and Equipment	498.4	501.3	494.8	494.8	497.5
Buildings	175.8	175.9	175.0	175.0	176.3
Fixtures and Furniture	83.9	83.2	66.5	65.5	65.7
Vehicles	18.9	18.9	12.2	12.2	12.2
Capital Work in Progress	4.6	-	0.1	0.1	-
Lands	0.2	0.2	0.2	0.2	0.2
Total	**781.8**	**779.5**	**748.8**	**747.8**	**751.9**
Movement During the Year					
Machinery and Equipment	2.9	(6.5)	2.7	0.9	(24.1)
Buildings	0.3	(0.9)	1.3	0.1	(20.2)
Fixtures and Furniture	(0.6)	(17.7)	0.2	0.2	(1.5)
Vehicles	0.0	(6.7)	-	-	(1.1)
Capital Work in Progress	(4.6)	0.1	(0.1)	-	0.0
Lands	-	-	-	-	-
Total	**(2.0)**	**(31.7)**	**4.1**	**1.2**	**(46.9)**
Closing Balance					
Machinery and Equipment	501.3	494.8	497.5	495.7	473.5
Buildings	175.9	175.0	176.3	175.1	156.1
Fixtures and Furniture	83.2	65.5	65.7	65.7	64.2
Vehicles	18.9	12.2	12.2	12.2	11.1
Capital Work in Progress	-	0.1	-	0.1	0.0
Lands	0.2	0.2	0.2	0.2	0.2
Total	**779.5**	**747.8**	**751.9**	**749.0**	**705.1**
Accumulated Depreciation					

Property, Plant and Equipment					
Million Saudi Riyals	2022G	2023G	2024G	September 30, 2024G	September 30, 2025G
Opening Balance					
Machinery and Equipment	385.4	393.9	393.5	393.5	399.1
Buildings	130.6	135.1	138.5	138.5	143.0
Fixtures and Furniture	81.4	81.0	64.1	64.1	64.6
Vehicles	18.2	18.9	12.2	12.2	12.2
Capital Work in Progress	-	-	-	-	-
Lands	-	-	-	-	-
Total	**615.6**	**628.9**	**608.3**	**608.3**	**618.9**
Movement During the Year					
Machinery and Equipment	8.5	(0.4)	5.6	4.4	(23.4)
Buildings	4.5	3.4	4.5	3.4	(10.9)
Fixtures and Furniture	(0.3)	(16.9)	0.6	0.4	(1.1)
Vehicles	0.6	(6.7)	4.0	0.0	(1.1)
Capital Work in Progress	-	-	-	-	-
Lands	-	-	-	-	-
Total	**13.3**	**(20.6)**	**14.7**	**8.2**	**(36.5)**
Closing Balance					
Machinery and Equipment	393.9	393.5	399.1	397.9	375.7
Buildings	135.1	138.5	143.0	141.9	132.1
Fixtures and Furniture	81.0	64.1	64.6	64.5	63.5
Vehicles	18.9	12.2	12.2	12.2	11.1
Capital Work in Progress	-	-	-	-	-
Lands	-	-	-	-	-
Total	**628.9**	**608.3**	**618.9**	**616.5**	**582.4**
Net Book Value					
Machinery and Equipment	107.4	101.2	98.3	97.8	97.7
Buildings	40.8	36.5	33.3	33.2	23.9
Fixtures and Furniture	2.2	1.5	1.1	1.2	0.7
Vehicles	0.1	0.1	0.1	(0.0)	0.1
Capital Work in Progress	-	0.1	-	0.1	0.0
Lands	0.2	0.2	0.2	0.2	0.2
Total	**150.7**	**139.6**	**133.0**	**132.4**	**122.6**

Source: Consolidated financial statements for the fiscal years ended December 31, 2022G, December 31, 2023G, and December 31, 2024G, and for the nine-month period of fiscal year 2025G.

Machinery and equipment primarily consist of machinery related to carpet and rug production and yarn manufacturing machines used in the production of carpets, rugs and yarn. Their book value declined from 107.4 million Saudi Riyals in December 2022G to 101.2 million Saudi Riyals in December 2023G then to 98.3 million Saudi Riyals in December 2024G, as a result of annual depreciation and weak capital additions during the period, while the cost movement reflects the disposal of fully utilized equipment and machinery without significant capital investments.

Buildings include the construction of properties in addition to improvements to leased properties related to factories, the head office and wholesale and retail showrooms. Their book value declined from 40.8 million Saudi Riyals in December 2022G to 36.5 million Saudi

Riyals in December 2023G then to 33.3 million Saudi Riyals in December 2024G, driven by annual depreciation, while cost remained stable reflecting limited new investment.

Fixtures and furniture declined significantly in December 2023G as a result of the disposal of assets valued at 17.7 million Saudi Riyals, leading to a decrease in book value from 2.2 million Saudi Riyals in December 2022G to 1.5 million Saudi Riyals in December 2023G then to 1.1 million Saudi Riyals in December 2024G, due to the write-off of consumed or obsolete showroom and office fixtures.

Vehicles consist of forklifts and employee transportation buses, and their cost declined from 18.9 million Saudi Riyals in December 2022G to 12.2 million Saudi Riyals in December 2023G as a result of the disposal of old units, and their book value declined slightly from 0.07 million Saudi Riyals in December 2022G to 0.05 million Saudi Riyals in December 2024G, as a result of depreciation without capital additions.

Capital Work in Progress showed limited movement, as the balance declined from 4.6 million Saudi Riyals in December 2022G to zero in December 2023G, with a small balance of 0.1 million Saudi Riyals in December 2024G related to installation works on equipment still under execution.

Land recorded at cost remained unchanged at 0.2 million Saudi Riyals over the three years.

The book value of property, plant and equipment amounted to 122.6 million Saudi Riyals as of 30 September 2025G, a decrease of 9.8 million Saudi Riyals (-7.4%) compared to 132.4 million Saudi Riyals as of 30 September 2024G, as a result of continued depreciation and the disposal of some assets within liquidity improvement and financial discipline initiatives.

The most notable movements were represented by a decline of 9.3 million Saudi Riyals in the value of buildings due to the disposal of an unused building at a cost of 20.2 million Saudi Riyals, offset by additions of 3.1 million Saudi Riyals and disposal of assets valued at 0.4 million Saudi Riyals, while fixtures, furniture and vehicles continued their gradual decline with limited remaining value.

5-6-2 Investment in Associates and Joint Ventures

Table (59): Investment in Associates and Joint Ventures as of 31 December 2022G, 31 December 2023G, 31 December 2024G, and the nine-month period ending 30 September 2025G

Investment in Associates and Joint Ventures					
Million Saudi Riyals	2022G	2023G	2024G	September 30, 2024G	September 30, 2025G
Capital					
Arabian Calcium Carbonate Production Company	16.47	16.47	16.47	16.47	16.47
Total	**16.7**	**16.47**	**16.47**	**16.47**	**16.47**
Movement					
Arabian Calcium Carbonate Production Company	(6.0)	(5.37)	(5.28)	(5.18)	(5.28)
Total	**(6.0)**	**(5.37)**	**(5.28)**	**(5.18)**	**(5.28)**
Net Book Value					
Arabian Calcium Carbonate Production Company	15.7	16.34	16.19	16.29	16.19
Total	**15.7**	**16.34**	**16.19**	**16.29**	**16.19**

Source: Consolidated financial statements for the fiscal years ended December 31, 2022G, December 31, 2023G, and December 31, 2024G, and for the nine-month period of fiscal year 2025G.

Arabian Calcium Carbonate Production Company

The Company holds a 25% equity interest in Arabian Calcium Carbonate Production Company. The book values of the investment increased from 15.7 million Saudi Riyals in December 2022G to 16.34 million Saudi Riyals in December 2023G, then declined to 16.19 million Saudi Riyals in December 2024G. This change reflects the Company's share of the associate's profits or losses, and the investment continues to be recognized using the equity method.

5-6-3 Right-of-Use Assets

Table (60): Right-of-Use Assets

Right-of-Use Assets					
Million Saudi Riyals	2022G	2023G	2024G	September 30, 2024G	September 30, 2025G
Balance at the beginning of the year	30.5	24.5	28.9	28.9	29.8
Additions during the year	-	4.4	0.9	-	-
Disposals during the year	(6.0)	-	-	-	-
End of Year/Period	24.5	28.9	29.8	28.9	29.8
Less: Consumptions	(11.4)	(15.3)	(19.5)	(18.3)	(22.0)
End of Year/Period	**13.1**	**13.6**	**10.3**	**10.6**	**7.7**

Source: The Company's Management

The Company has entered into thirty-four lease contracts for right-of-use assets comprising warehouses, showrooms, camps and manufacturing facilities at various locations in the Kingdom of Saudi Arabia, ten of which were entered into with the Saudi Authority for Industrial Cities and Technology Zones (MODON).

The remaining twenty-four lease contracts are entered into with a variety of private parties, relating primarily to warehouse facilities, showrooms and employee accommodation.

Right-of-use assets represent leased locations for factories and wholesale and retail showrooms, recognized in accordance with IFRS 16. The book value increased from 13.1 million Saudi Riyals in December 2022G to 13.6 million Saudi Riyals in December 2023G, then declined to 10.3 million Saudi Riyals in December 2024G, as a result of regular amortization over the contract terms and the closure of some showrooms. The Company continues to amortize right-of-use assets over the remaining contract periods in accordance with IFRS 16.

5-6-4 Intangible Assets

The Company's intangible assets primarily relate to the (INFRO) accounting system, which is amortized over four years. The book value declined from 0.2 million Saudi Riyals in December 2022G to 0.003 million Saudi Riyals in December 2023G as a result of annual amortization. In December 2024G, the balance increased to 0.12 million Saudi Riyals following the addition of 0.16 million Saudi Riyals related to the development of the (INFRO) system, with amortization continuing in accordance with the system's useful life.

5-6-5 Inventory

Table (61): Inventory as of 31 December 2022G, 31 December 2023G, 31 December 2024G, and the nine-month period ending 30 September 2025G

Inventory					
Million Saudi Riyals	2022G	2023G	2024G	September 30, 2024G	September 30, 2025G
Finished Goods	57.9	54.3	24.9	33.3	13.87
Raw Materials	63.0	52.3	36.6	40.4	27.9
Spare Parts	28.2	23.9	20.5	22.7	16.16
Work in Progress	9.1	10.3	6.9	9.3	6.66
Less: Provision for Slow-Moving Goods	(49.7)	(34.5)	(27.9)	(29.9)	(22.8)
End of Year/Period	**108.4**	**106.3**	**61.1**	**75.7**	**41.90**

Source: Consolidated financial statements for the fiscal years ended December 31, 2022G, December 31, 2023G, and December 31, 2024G, and for the nine-month period of fiscal year 2025G.

Finished goods declined from 57.9 million Saudi Riyals in December 2022G to 54.3 million Saudi Riyals in December 2023G, then to 24.9 million Saudi Riyals in December 2024G, attributable primarily to lower production levels and inventory constraints, indicating a slowdown in the inventory turnover as a result of declining production capacity, financial pressures and reliance on available inventory.

Raw materials declined from 63.0 million Saudi Riyals in December 2022G to 52.3 million Saudi Riyals in December 2023G, then to 36.6 million Saudi Riyals in December 2024G, attributable primarily to liquidity constraints and reduced purchases, reflecting slower supply cycles and declining production activity.

Spare parts inventory represents the consumable materials required for machinery operation. Spare parts inventory declined from 28.2 million Saudi Riyals in December 2022G to 23.9 million Saudi Riyals in December 2023G, then to 20.5 million Saudi Riyals in December 2024G, attributable to the consumption of existing inventory, in addition to the Company's limited ability to purchase additional parts due to cash flow pressures.

Work-in-progress inventory increased from 9.1 million Saudi Riyals in December 2022G to 10.3 million Saudi Riyals in December 2023G, attributable to the slow completion of production processes, raw material shortages, and the production of partial inventory to meet available demand. The balance then declined to 6.9 million Saudi Riyals in December 2024G as a result of a decrease in production volume and liquidity constraints that affected the injection of materials into the production cycle.

Total inventory declined significantly from 75.7 million Saudi Riyals as of 30 September 2024G to 41.9 million Saudi Riyals as of 30 September 2025G, a decline of 45%. Finished goods declined from 33.3 million Saudi Riyals to 13.9 million Saudi Riyals, and raw materials declined from 40.4 million Saudi Riyals to 27.9 million Saudi Riyals, in line with declining production activity and inventory liquidation to support working capital. Spare parts inventory also declined sharply from 22.7 million Saudi Riyals to 16.16 million Saudi Riyals as a result of the consumption of available spare parts. In contrast, work-in-progress inventory declined from 9.3 million Saudi Riyals to 6.66 million Saudi Riyals, reflecting the existence of partial production operations amid intermittent operation.

Table (62): Movement of the provision for obsolete inventory as of December 31, 2022G, December 31, 2023G, December 31, 2024G, and the nine months ending September 30, 2025G

Slow-moving inventory provision					
Million Saudi Riyals	**2022G**	**2023G**	**2024G**	**September 30, 2024G**	**September 30, 2025G**
Balance at the beginning of the year	69.91	49.7	34.5	34.52	27.93
Change in accounting estimate - reversal of provision	-	(3.4)	-		
Provisions used during the year	(20.20)	(11.8)	(6.6)	(4.6)	(5.16)
End of Year/Period	**49.7**	**34.5**	**27.9**	**29.9**	**22.77**

Source: Consolidated financial statements for the fiscal years ended December 31, 2022G, December 31, 2023G, and December 31, 2024G, and for the nine-month period of fiscal year 2025G.

The provision for obsolete inventory is recorded using the range of rates shown below, which are defined in detail at the product category level:

- From 1 to 2 years: 3.0%-90.0%
- Up to 3 years: 20.0%-90.0%
- Over 3 years: 50.0%-90.0%

The slow-moving inventory provision declined from 49.7 million Saudi Riyals in December 2022G to 34.5 million Saudi Riyals in December 2023G, attributable primarily to the reversal of a provision of 3.4 million Saudi Riyals as a result of a change in accounting estimate, in addition to the utilization of a provision of 11.8 million Saudi Riyals during the year. The provision also declined to 27.9 million Saudi Riyals in December 2024G following additional utilization of 6.6 million Saudi Riyals.

Management conducted a systematic review of the slow-moving inventory provision calculation methodology by adjusting the provision rates applied in accordance with aging categories and the nature of each inventory group, including raw materials, work-in-progress, finished goods, flooring products, carpets and rugs, and spare parts.

The former policy relied on provision rates that varied according to age group and nature of inventory, but it did not accurately reflect the current market value of some items.

The new policy is based on detailed age matrices for each type of inventory, in line with verifiable value, operating conditions, and the characteristics of each product, leading to a more accurate and equitable measurement of the slow-moving inventory provision.

Table (63): Inventory Policy

Inventory category	Former policy (1-2 years)	Former policy (2-3 years)	Former policy (+3 years)	New policy (1-2 years)	New policy (2-3 years)	New policy (+3 years)
Raw Materials – Chemicals	10%	20%	30%	3%	20%	90%
Raw Materials – Other	10%	20%	30%	0%	40%	60%
Raw Materials – Yarn (Purchased Thermal Kit)	10%	20%	30%	20%	30%	50%
Work in Progress and Semi-Finished Goods	10%	20%	30%	25%	40%	90%
Finished Products – Domestic Flooring (Carpets and Rugs)	10%	20%	30%	20%	40%	80%
Carpet Tiles	10%	20%	30%	90%	90%	95%
Premium Carpets	10%	20%	30%	30%	60%	90%
Imported Flooring	10%	20%	30%	20%	40%	80%
Vinyl Products	10%	20%	30%	20%	40%	80%
Flooring Accessories	10%	20%	30%	30%	60%	90%
Finished Goods – Other	10%	20%	30%	30%	60%	90%
Spare Parts (Inventory)	10%	20%	30%	0%	25%	50%
Spare Parts (Capitalized as Assets)	Not applicable	Not applicable	Not applicable	0% (Treated as a fixed asset)	0%	0%

Source: The Company's Management

5-6-6 Trade Receivables

Table (64): Trade Receivables as of 31 December 2022G, 31 December 2023G, 31 December 2024G, and the nine-month period ending 30 September 2025G

Trade Receivables					
Million Saudi Riyals	2022G	2023G	2024G	September 30, 2024G	September 30, 2025G
Key Customers	23.7	11.3	5.8	13.9	5.53
External Customers	28.3	22.3	20.9	21.3	18.62
Commercial Customers	98.5	102.5	83.2	86.4	61.90
Other	15.1	8.8	9.2	10.3	6.73
Provision for Doubtful Accounts	(65.5)	(41.8)	(35.2)	(34.7)	(35.18)
End of Year/Period	**100.2**	**103.2**	**83.9**	**97.2**	**57.60**

Source: Consolidated financial statements for the fiscal years ended December 31, 2022G, December 31, 2023G, and December 31, 2024G, and for the nine-month period of fiscal year 2025G.

Trade receivables were maintained at a stable level of approximately 100.2 million Saudi Riyals in December 2022G and 103.2 million Saudi Riyals in December 2023G, before declining to 83.9 million Saudi Riyals in December 2024G as a result of improved collection operations and tighter credit policies. Balances temporarily increased to 97.2 million Saudi Riyals in September 2024G, then declined in December 2024G driven by increased collections during the fourth quarter, then declined sharply to 57.6 million Saudi Riyals in September 2025G, reflecting a notable improvement in the collection cycle and a decline in working capital requirements.

Key customer receivables declined consistently from 23.7 million Saudi Riyals in December 2022G to 11.3 million Saudi Riyals in December 2023G, then to 5.8 million Saudi Riyals in December 2024G, confirming collection efficiency. Despite the increase in key customer balances to 13.9 million Saudi Riyals in September 2024G, this increase reflects payment delays rather than growth in sales volume, before balances returned to a level of 5.5 million Saudi Riyals in September 2025G. External customers followed the same trend, declining from 28.3 million Saudi Riyals in December 2022G to 22.3 million Saudi Riyals in December 2023G, then to 20.9 million Saudi Riyals in December 2024G, with only minor fluctuations in September 2024G and September 2025G. Other receivables also declined gradually from 15.1 million Saudi Riyals in December 2022G to 8.8 million Saudi Riyals in December 2023G, and remained within a limited range thereafter.

The provision for doubtful debts showed a material improvement during the period, declining from 65.5 million Saudi Riyals in December 2022G to 41.8 million Saudi Riyals in December 2023G, driven by a net reversal of 7.7 million Saudi Riyals and write-offs of 16.0 million Saudi Riyals along with the disposal of aged uncollectable balances. The provision declined to 35.2 million Saudi Riyals in December 2024G driven by the write-off of aged balances and a reduced need to create new provisions, reflecting improved receivables quality and the strength of credit risk management. Overall, the Company demonstrated clear progress in reducing overdue balances, strengthening collection discipline, and improving the aging periods of customer balances.

5-6-7 Prepayments and Other Receivables

Table (65): Prepayments and Other Receivables as of 31 December 2022G, 31 December 2023G, 31 December 2024G, and the nine-month period ending 30 September 2025G

Prepayments and Other Receivables					
Million Saudi Riyals	2022G	2023G	2024G	September 30, 2024G	September 30, 2025G
Prepayments to suppliers	12.9	6.8	5.0	6.3	4.72
Prepaid expenses	3.2	2.6	3.0	3.3	2.17
Cash cover for letters of guarantee	0.6	-	0.04		0.03
Employee advances	0.4	0.05	0.04	0.03	0.03
Other	0.1	0.6	0.7	0.6	0.77
End of Year/Period	**17.2**	**10.0**	**8.7**	**10.1**	**7.7**

Source: Consolidated financial statements for the fiscal years ended December 31, 2022G, December 31, 2023G, and December 31, 2024G, and for the nine-month period of fiscal year 2025G.

Prepayments to suppliers declined from 12.9 million Saudi Riyals in December 2022G to 6.8 million Saudi Riyals in December 2023G, then to 5.0 million Saudi Riyals in December 2024G. This decline reflects the reduced need for advances as a result of decreased purchasing activity and tighter cash flow management.

Prepaid expenses primarily include the unused portion of medical or equipment insurance prepaid by the company. No significant movements were observed during the historical period.

The cash cover for letters of guarantee refers to the cash paid to banks to issue letters of guarantee, which banks issue to enable a company to finance several sales orders.

Employee advances declined from 0.4 million Saudi Riyals in December 2022G to 0.05 million Saudi Riyals in December 2023G and 0.04 million Saudi Riyals in December 2024G, following the settlement of outstanding advances and the reduction in granting new advances to employees.

Prepayments and other receivables declined from 10.1 million Saudi Riyals in September 2024G to 7.7 million Saudi Riyals in September 2025G, a decline of 24% on an annual basis. This decline came primarily as a result of a decrease in prepayments to suppliers from 6.3 million Saudi Riyals to 4.72 million Saudi Riyals, reflecting liquidity pressures and declining purchases. Prepayments also declined significantly from 3.3 million Saudi Riyals to 2.17 million Saudi Riyals, indicating improved alignment of expense recognition with project execution and reduced reliance on advance payments. Employee advances remained stable at 0.03 million Saudi Riyals, while other receivables increased slightly from 0.6 million Saudi Riyals to 0.77 million Saudi Riyals, as a result of routine operational balances.

5-6-8 Equity

Table (66): Statement of Changes in Equity

Statement of Changes in Equity			
Million Saudi Riyals	**Capital**	**Accumulated Losses**	**Total**
Opening in January 2022G	211.6	(102.7)	108.9
Capital Increase	(102.7)	102.7	-
Cost of Capital Increase	-	-	-
Net Loss for the Year	-	(1.4)	(1.4)
Gains on Revaluation of Employee Specific Benefit Obligations	-	(2.2)	(2.2)
Capital Reduction	-	-	-
Closing in December 2022G	**108.9**	**(3.6)**	**105.4**
Capital Increase	-	-	-
Cost of Capital Increase	-	-	-
Net Loss for the Year	0.00	(15.9)	(15.9)
Gains on Revaluation of Employee Specific Benefit Obligations	-	0.7	0.7
Closing in December 2023G	**108.9**	**(18.8)**	**90.2**
Capital Reduction	-	-	-
Net Profit/(Loss) for the Year	-	(42.6)	(42.6)
Loss on Revaluation of Employee Specific Benefit Obligations	-	0.4	0.4
On December 31, 2024G	**108.9**	**(61.1)**	**47.9**
Net Loss for the Period		(8.7)	(8.7)
Period Ending on September 30, 2025G	**108.9**	**(69.7)**	**39.3**

Source: Consolidated financial statements for the fiscal years ended December 31, 2022G, December 31, 2023G, and December 31, 2024G, and for the nine-month period of fiscal year 2025G.

5-6-9 Capital

Capital remained at 108.9 million Saudi Riyals throughout the period from December 2022G to December 2024G, without any new issuance or reduction, and no transaction costs were recorded during the three years 2022G, 2023G and 2024G and the nine-month period of fiscal year 2025G.

It is worth noting that on 19/12/1443H (corresponding to 18/07/2022G), the Extraordinary General Assembly of the Company approved the reduction of the Company's capital from (211.6) million Saudi Riyals to (108.9) million Saudi Riyals after the reduction, representing a reduction of (48.51%), in order to write off accumulated losses of (102.7) million Saudi Riyals by cancelling (10,265,900) shares of the Company, whereby the reduction ratio becomes (0.485) shares for every (1) share.

5-6-10 Accumulated Losses

Accumulated losses improved from (102.7) million Saudi Riyals at the beginning of 2022G to (3.6) million Saudi Riyals in December 2022G, attributable primarily to the absorption of accumulated losses through the capital reduction that took place during the year. Accumulated losses then increased to reach (18.8) million Saudi Riyals in December 2023G, as a result of a net loss of 15.9 million Saudi Riyals, with partial offset by an actuarial gain of 0.7 million Saudi Riyals related to employee defined benefit obligations.

Accumulated losses subsequently increased to reach (61.1) million Saudi Riyals in fiscal year 2024G and 69.7 million Saudi Riyals in the nine-month period ending September 2025G, driven by a net loss of 42.6 million Saudi Riyals in fiscal year 2024G and 8.7 million Saudi Riyals as of 30 September 2025G, with partial offset by an actuarial adjustment of 0.4 million Saudi Riyals.

The audited financial statements for the fiscal year 2024G highlight a substantial uncertainty regarding going concern, resulting from accumulated losses exceeding 50% of capital and continued operating losses.

5-6-11 Term Loans

Table (67): Term Loans as of 31 December 2022G, 31 December 2023G, 31 December 2024G, and the nine-month period ending 30 September 2025G

Term Loans					
Million Saudi Riyals	2022G	2023G	2024G	September 30, 2024G	September 30, 2025G
Saudi National Bank	25.9	22.0	15.9	17.1	11.6
Al Rajhi Bank	27.0	19.7	13.0	14.1	10.0
Saudi British Bank	9.2	-	-	-	-
Riyad Bank	106.7	104.8	100.9	103.7	94.8
Saudi Industrial Development Fund	20.9	19.1	14.7	14.8	-
Ministry of Finance	20.2	18.0	14.9	15.0	11.5
End of Year/Period	**209.9**	**183.6**	**159.5**	**164.7**	**127.9**

Source: Consolidated financial statements for the fiscal years ended December 31, 2022G, December 31, 2023G, and December 31, 2024G, and for the nine-month period of fiscal year 2025G.

Table (68): Details of outstanding loans and repayment terms as of December 31, 2024G

Outstanding Loans and Repayment Terms						
Bank	Financing Type	Interest Rate	Guarantees	Amount Due by December 24 (Million Saudi Riyals)	Repayment Start Date	Repayment Period
Saudi National Bank	Working capital and restructured loan	SAIBOR + 2.25% - 2.5%	Promissory notes	15.9	2022G (Restructured in 2022G)	Installments until December 31, 2025G according to the revised schedule
Al Rajhi Bank	Working capital / Restructured loan	SAIBOR + 1.75%	Promissory notes	13	2024G (Restructured in 2024G)	Installments until December 1, 2027G, according to the revised schedule.

Outstanding Loans and Repayment Terms						
Bank	Financing Type	Interest Rate	Guarantees	Amount Due by December 24 (Million Saudi Riyals)	Repayment Start Date	Repayment Period
Riyad Bank	Working capital / Restructured loan	SAIBOR + 2.0%	Promissory notes	100.9	2024G (Restructured in 2024G)	Installments until October 15, 2031G, according to the revised schedule.
Saudi Industrial Development Fund	Project/ Expansion Financing	Saudi Industrial Development Fund's preferential rate (not disclosed)	A mortgage on the property and machinery of Jeddah Wool Factory and Al-Sorayai Carpet Factory	14.7	December 13, 2022G	Monthly installments thereafter according to the schedule of the Saudi Industrial Development Fund
Ministry of Finance	Short-term supplier financing	A quarterly fee of 3% is payable on the total outstanding balance.	A fee is imposed on the secondary beneficiary on assets mortgaged to the Saudi Industrial Development Fund.	15	2021	The repayment due date was December 30, 2023G, and the loan is currently considered overdue.

Source: The Company's Management

The Company has entered into a number of financing agreements with banks and government entities, secured primarily through promissory notes, while the Saudi Industrial Development Fund loan is secured by a mortgage on property, plant and equipment. Total loans declined steadily from 209.9 million Saudi Riyals in December 2022G to 183.6 million Saudi Riyals in December 2023G, and to 159.5 million Saudi Riyals in December 2024G, reaching 127.9 million Saudi Riyals in September 2025G, reflecting continued repayment in accordance with restructured schedules. Instances of non-compliance with contractual obligations occurred during fiscal year 2024G, however none of the lenders exercised acceleration rights, and management is engaged in active discussions to obtain waivers.

Table (69): Agreement Compliance Status as of 31 December 2022G, 31 December 2023G, 31 December 2024G, and the nine-month period ending 30 September 2025G

Term Loans - Compliance Status					
	Unit	2022G	2023G	2024G	September 30, 2025G
Saudi National Bank					
The liquidity ratio should not be less than 1:1	Ratio	1.8	1.23	1.22	1.04
Leverage should not exceed 2.5:1	Ratio	2.31	2.73	4.48	4.35
The inventory turnover should not exceed 270 days.	Days	272.8	276.0	236.1	574.5
Ministry of Finance					
Ranges above the green level	Unavailable	Unavailable	Unavailable		Low green
Saudi Industrial Development Fund					
Minimum liquidity ratio: 1:1	Ratio	1.8	1.23	1.22	1.04
The ratio of total liabilities to net tangible assets should not be greater than 3:1	Ratio	1.51	1.21	1.55	1.56

Source: The Company's Management

Saudi National Bank

In 2022G, the Company restructured loan facilities provided by the Saudi National Bank amounting to 27.3 million Saudi Riyals to finance its operations, whereby these facilities were fully utilized at the time of restructuring. These facilities consist of 12 million Saudi Riyals as revolving working capital facilities, and 15.3 million Saudi Riyals as a restructured loan (one-time) with its final installment due on 31 December 2025G. This loan is subject to a profit margin at the "SAIBOR" rate plus 2.25% and 2.5%, and is secured by promissory notes. The loan agreement includes certain covenants requiring, among other things, the maintenance of specific financial ratios.

In the year ending 31 December 2024G, some of the covenants associated with outstanding loans and advances with various banks were not complied with. Management is currently in discussions with these financial institutions to obtain a waiver from these requirements, and expects to obtain such waiver for future periods in accordance with the agreements. Accordingly, the loans were not classified as payable on demand as of 31 December 2024G.

Al Rajhi Bank

In 2024G, the Company restructured financing facilities from Al Rajhi Bank amounting to 14.8 million Saudi Riyals to finance its operations, whereby these facilities were fully utilized at the time of restructuring. This loan is subject to a profit margin at the "SAIBOR" rate plus 1.75%, and is secured by promissory notes. The final installment of the loan is due on 1 December 2027G. The outstanding balance - including both the current and non-current portions - as of December 2024G amounted to 13.0 million Saudi Riyals, and declined to reach 10.0 million Saudi Riyals in September 2025G.

Riyad Bank

In 2024G, the Company restructured financing facilities from Riyad Bank amounting to 106.15 million Saudi Riyals to finance its operations, whereby these facilities were fully utilized at the time of restructuring. This loan is subject to a profit margin at the "SAIBOR" rate plus 2.0%, and is secured by promissory notes. The loan maturity date is 15 October 2031G. Total balances - including both current and non-current balances - declined from 106.7 million Saudi Riyals in December 2022G to 104.8 million Saudi Riyals in December 2023G, then to 100.9 million Saudi Riyals in December 2024G, reaching 94.8 million Saudi Riyals in September 2025G.

Saudi Industrial Development Fund

In 2022G, the Group rescheduled the repayment of the outstanding loan of 28.3 million Saudi Riyals from the Saudi Industrial Development Fund. The first installment was due on 31 December 2022G, followed by monthly installments. This loan is secured by a mortgage on the property and equipment of Jeddah Industrial Yarn Factory (Notes 1 and 5), whereby the loan was allocated to finance the expansion of Jeddah Industrial Yarn Factory and Al-Sorayai Carpet Factory. The loan agreement includes certain covenants comprising the maintenance of specific financial ratios, in addition to the maintenance of a minimum tangible solvency level and a minimum liquidity level.

Ministry of Finance

In 2021G, the Company obtained short-term credit facilities from the Ministry of Finance in the form of an interest-free loan of 34 million Saudi Riyals, for use in settling invoices of domestic and international suppliers. These facilities are not secured by collateral, but are subject to the condition of compliance with the "Nitaqat" program. In addition, administrative fees of 3% are due on a quarterly basis on the outstanding balance, in accordance with the agreement entered into with the Ministry of Finance.

5-6-12 Lease Liabilities

Right-of-use assets relate to leased wholesale and retail commercial showrooms and warehouses. The balance declined from 13.1 million Saudi Riyals in December 2022G to 13.6 million Saudi Riyals in December 2023G, and 10.3 million Saudi Riyals in December 2024G, attributable primarily to annual depreciation charges. Limited additions were recorded in December 2023G and December 2024G, and no lease contract terminations occurred after December 2022G.

5-6-13 Defined Benefit Obligations for Employees

Employee benefit obligations represent the statutory provision for end-of-service benefits based on the actuarial valuation conducted by an independent party. These benefits are paid to employees upon resignation or termination of their employment contract with the Company in accordance with the Saudi Labor Law.

Employee benefit obligations increased from 22.7 million Saudi Riyals in December 2022G to 23.8 million Saudi Riyals in December 2023G, attributable primarily to the annual end-of-service expense and actuarial movements, with partial offset for payments to employees whose contractual relationship with the Company ended. The balance then declined slightly to 22.3 million Saudi Riyals in December 2024G, reflecting the year's end-of-service expense, a slight actuarial gain, and increased payments to employees whose contractual relationship with the Company ended.

5-6-14 Derivative Financial Instruments

During the period under analysis, the Company held several derivative financial instruments designated as cash flow hedges to cover cash flow fluctuations resulting from commission rates and exchange rates exposed to market volatility. The book value of derivatives declined from 0.184 million Saudi Riyals in December 2022G to 0.003 million Saudi Riyals in December 2023G, and expired entirely in December 2024G, reflecting the expiry or settlement of remaining hedge positions. In accordance with the Company's policy, derivative instruments are used for hedging purposes only and not for trading or speculation.

5-6-15 Trade Payables

Table (70): Trade Payables as of 31 December 2022G, 31 December 2023G, 31 December 2024G, and the nine-month period ending 30 September 2025G

Trade Payables					
Million Saudi Riyals	2022G	2023G	2024G	September 30, 2024G	September 30, 2025G
Local payables	18.1	23.3	25.6	22.9	16.5
Foreign payables	11.8	6.7	5.9	6.6	4.4
Total	**29.9**	**30.1**	**31.5**	**29.4**	**20.9**

Source: Consolidated financial statements for the fiscal years ended December 31, 2022G, December 31, 2023G, and December 31, 2024G, and for the nine-month period of fiscal year 2025G.

The local suppliers balance primarily represents suppliers of raw materials, spare parts and packaging materials. Local supplier payables increased from 18.1 million Saudi Riyals in December 2022G to 23.3 million Saudi Riyals in December 2023G, attributable in part to liquidity constraints, whereby the decline in sales limited the Company's ability to settle outstanding amounts on time. The balance then increased slightly to 25.6 million Saudi Riyals in December 2024G, reflecting the Company's reduced ability to settle payments as a result of liquidity constraints.

The foreign suppliers balance primarily consists of imported raw materials, spare parts and imported finished goods. Foreign supplier payables declined from 11.8 million Saudi Riyals in December 2022G to 6.7 million Saudi Riyals in December 2023G, then to 5.9 million Saudi Riyals in December 2024G, attributable primarily to a decline in imports, whereby liquidity challenges limited the Company's ability to purchase raw materials and settle its obligations towards foreign suppliers.

Trade payables and other payables declined from 29.4 million Saudi Riyals in September 2024G to 20.9 million Saudi Riyals in September 2025G, a decline of approximately 29%. This decline is attributable to a decrease in local payables from 22.9 million Saudi Riyals to 16.5 million Saudi Riyals, and foreign payables from 6.6 million Saudi Riyals to 4.4 million Saudi Riyals. While this decline reflects an improvement in settlement discipline and tighter obligations management, it also indicates the possible existence of liquidity constraints, as purchases declined as a result of liquidity shortages.

5-6-16 Other Payables

Table (71): Other Payables as of 31 December 2022G, 31 December 2023G, 31 December 2024G, and the nine-month period ending 30 September 2025G

Accrued expenses and other liabilities					
Million Saudi Riyals	2022G	2023G	2024G	September 30, 2024G	September 30, 2025G
Accrued expenses	8.9	7.5	6.5	11.1	11.14
Customer Advances	8.1	5.9	5.7	6.9	6.62
Other	3.5	1.9	1.1	1.1	1.06
Total	**20.5**	**15.3**	**13.3**	**19.1**	**18.82**

Source: Consolidated financial statements for the fiscal years ended December 31, 2022G, December 31, 2023G, and December 31, 2024G, and for the nine-month period of fiscal year 2025G, and company's management.

Accrued expenses primarily relate to employee entitlements such as airline tickets, sales commissions, electricity, and other accrued expenses. Accrued expenses declined from 8.9 million Saudi Riyals in December 2022G to 7.5 million Saudi Riyals in December 2023G, then to 6.5 million Saudi Riyals in December 2024G, attributable primarily to a decline in electricity payables, sales commissions, and routine operational expenses.

As a result of the competitive pressures the company is facing and the decline in sales activity, it has changed its prepayment terms, resulting in a continuous decrease in advance payments from customers during the historical period.

Other payables primarily relate to accrued value added tax and accrued financing charges. Other payables declined from 3.5 million Saudi Riyals in December 2022G to 1.9 million Saudi Riyals in December 2023G, then to 1.1 million Saudi Riyals in December 2024G, attributable primarily to a decline in accrued value added tax and accrued financing charges.

Accrued expenses and other payables remained generally stable, declining slightly from 19.1 million Saudi Riyals in September 2024G to 18.82 million Saudi Riyals in September 2025G. Accrued expenses, which represent the largest portion of the total, remained stable at 11.14 million Saudi Riyals compared to 11.1 million Saudi Riyals in the previous year, reflecting the continued recording of obligations associated with ongoing operations. Customer advances declined from 6.9 million Saudi Riyals to 6.62 million Saudi Riyals, indicating a slight decrease in advance payments, but still indicating continued reliance on customer advance payments as a source of short-term financing. Other payables remained virtually unchanged at 1.06 million Saudi Riyals compared to 1.1 million Saudi Riyals in the previous year.

5-6-17 Obligations of Related Parties

Amounts due to related parties increased from 6.3 million Saudi Riyals in December 2022G to 7.6 million Saudi Riyals in December 2023G, attributable primarily to an increase in balances due to the Saudi Carpet Supplies Manufacturing Company Limited (Matex), and the continuation of amounts due to Sanasco Investment Holding Company. The balance then declined to 5.8 million Saudi Riyals in December 2024G, attributable primarily to the settlement of payables to Al-Hikma International Real Estate Development Company and Sanasco Company. These related party balances primarily represent payables to related parties in exchange for raw material purchases and leasing services.

5-6-18 Accrued Zakat

Accrued zakat increased from 6.8 million Saudi Riyals in December 2022G to 31.9 million Saudi Riyals in December 2023G, attributable primarily to a significant prior year adjustment of 20.7 million Saudi Riyals recorded during the year that has not yet been settled. The balance declined to 28.7 million Saudi Riyals in December 2024G, reflecting the annual zakat calculation and its settlement of 8.9 million Saudi Riyals. The annual changes primarily reflect changes in the zakat base and payment dates. The Zakat, Tax and Customs Authority has permitted the Company to pay the zakat due for prior years in installments, which are being paid regularly.

5-6-19 Contingent Liabilities and Capital Commitments

In accordance with the International Financial Reporting Standards, and in particular International Accounting Standard No. (37) "Provisions, Contingent Liabilities and Contingent Assets", contingent liabilities are defined as obligations arising from past events whose existence is expected to be confirmed only upon the occurrence or non-occurrence of uncertain future events not entirely within the Company's control, or current obligations that are not recognized in the financial statements due to the inability to measure their value with sufficient reliability or due to the low probability of their requiring an outflow of economic resources.

Lawsuits and legal claims

As of the date of this Prospectus, the Company faces a number of lawsuits as a defendant, totaling (8) principal cases, most of which relate to labor claims, in addition to sales and supply cases, in accordance with management's estimate. These cases are still either "pending" or "ruled upon by a non-final judgment" before the competent judicial authorities, and management follows up on these cases periodically in coordination with its legal advisors. **(For further details, please refer to sub-paragraph No. (9.10) "Disputes and Lawsuits" of Section (9) "Legal Information" of this Prospectus).**

The Company's management, based on legal opinion, believes that these lawsuits are not expected to result in material cash outflows, and the contingent liabilities arising therefrom cannot currently be measured with sufficient reliability. Accordingly, the Company has established provisions for them in the financial statements amounting to 0.8 million Saudi Riyals.

Execution requests in favor of the company

The company has submitted (20) execution requests in its capacity as an "enforcer," most of which relate to promissory notes and court judgments, all of which are currently being enforced by the competent authorities, and involve sums of money owed to the company. The management is following up on the collection of these sums on a regular basis.

Contingent Liabilities Related to Loan Covenants

The Company is subject to covenants and conditions associated with certain credit facilities, and non-compliance with some of these covenants may potentially result in the financing parties demanding immediate repayment or renegotiation of the financing terms. Management is working to address these matters through negotiations with the financing parties, and currently believes that no material cash outflow is expected to result therefrom.

Zakat Assessment

The Company has submitted its zakat returns for all years up to 2024G, however the zakat assessment for the year 2024G has not yet been finalized by the Zakat, Tax and Customs Authority. Accordingly, these potential claims are considered a contingent liability, as the value of any potential zakat differences cannot currently be determined or measured with sufficient reliability, and management will record any material differences upon the issuance of the final assessment.

5-7 Consolidated Statement of Cash Flows

Table (72): Consolidated Statement of Cash Flows for the Fiscal Years Ending 31 December 2022G, 31 December 2023G, 31 December 2024G, and the Nine-Month Period Ending 30 September 2025G

Consolidated Statement of Cash Flows								
Million Saudi Riyals	2022G	2023G	2024G	Variance for the fiscal year 2022G-2023G	Variance for the fiscal year 2023G-2024G	September 30, 2024G	September 30, 2025G	Variance for 9 months of fiscal year 2024G and the 9 months of fiscal year 2025G
Net Cash Flow from Operating Activities	(14.6)	29.2	32.00	(300%)	10%	19.4	4.9	(75%)
Net Cash Flow from Investing Activities	(0.4)	(0.8)	(4.3)	100%	438%	(1.4)	26.1	(1964%)
Net Cash Flow from Financing Activities	(41.9)	(31.4)	(28.3)	(25%)	10%	(18.8)	(31.7)	69%
Net (Decrease) / Increase in Cash and Cash Equivalents	**(57.68)**	**(3.0)**	**(0.61)**	**(95%)**	**(80%)**	**(0.9)**	**(0.7)**	**(22%)**
Cash and Cash Equivalents at the Beginning of the Year/Period	63.3	6.4	3.4	(90%)	(47%)	3.4	2.8	(18%)
Cash and Cash Equivalents at the End of the Year/Period	**6.4**	**3.4**	**2.8**	**(47%)**	**(18%)**	**2.6**	**2.1**	**(19%)**

Source: Consolidated financial statements for the fiscal years ended December 31, 2022G, December 31, 2023G, and December 31, 2024G, and for the nine-month period of fiscal year 2025G.

5-7-1 Cash Flows from Operating Activities

Table (73): Cash Flows from Operating Activities as of 31 December 2022G, 31 December 2023G, 31 December 2024G, and the nine-month period ending 30 September 2025G

Cash Flows from Operating Activities								
Million Saudi Riyals	2022G	2023G	2024G	Variance for the fiscal year 2022G-2023G	Variance for the fiscal year 2023G-2024G	September 30, 2024G	September 30, 2025G	Variance for 9 months of fiscal year 2024G and the 9 months of fiscal year 2025G
Cash Flow from Operating Activities								
(Loss) / Profit before tax	5.5	10.5	(36.8)	91%	(450%)	(21.9)	(8.7)	(60.3%)
Adjustments for:								
Depreciation of property and equipment	16.6	13.6	11.1	(18%)	(18%)	8.6	6.7	(22.1%)
Employee benefit obligations	2.5	2.9	2.6	16%	(10%)	1.9	1.5	(21.1%)
Lease liability interest expense	0.4	0.4	0.4	0%	0%	-	-	-
Provision for trade receivables	1.7	(7.7)	0.4	(553%)	(105%)	-	-	-
Provisions utilized during the year/ period - inventory	(20.2)	(11.8)	(6.6)	(42%)	(44%)	-	-	-

Cash Flows from Operating Activities								
Million Saudi Riyals	2022G	2023G	2024G	Variance for the fiscal year 2022G-2023G	Variance for the fiscal year 2023G-2024G	September 30, 2024G	September 30, 2025G	Variance for 9 months of fiscal year 2024G and the 9 months of fiscal year 2025G
Reversal of provisions during the year - inventory	-	(3.4)	-			-	-	-
Write-off of provision during the year - trade receivables	(2.6)	(16.0)	(6.9)	515%	(57%)	-	-	-
Depreciation of right-of-use assets	3.7	3.9	4.2	5%	8%	3	2.6	(13.3%)
Gain from termination of lease liability	(0.8)	-	-	-	-	-	-	-
Gain from sale of property, plant and equipment	(0.5)	(1.6)	(0.3)	220%	(81%)	(0.3)	(22.4)	
Share of profit from associate and joint venture	(0.7)	(0.6)	0.2	(14%)	(133%)	0.05		(100.0%)
(Gain)/Loss resulting from change in fair value of derivative financial instruments	(1.3)	0.2	0.0	(115%)	(100%)	(0.03)	-	(100.0%)
Operating (Loss) / Income before working capital changes	**4.3**	**(9.6)**	**(31.9)**	**(323%)**	**232%**	**(8.6)**	**(20.1)**	**133.7%**
Working capital changes								
Inventories - net	16.2	17.4	51.7	7%	197%	30.5	19.2	(37.0%)
Trade receivables, advance payments and others - net	(25.7)	27.8	27.2	(208%)	(2%)	6	27.3	355.0%
Receivables from related parties	-	(0.2)	0.2		(200%)	0.2	-	
Trade payables and other payables	(5.0)	(5.0)	(0.6)	0%	(88%)	0.2	(7.1)	(3650.0%)
Related party payables	1.9	1.3	(1.8)	(32%)	(238%)	(0.2)	(1.7)	750.0%
Cash used in operations	**(8.4)**	**31.6**	**44.8**	**(476%)**	**42%**	**28.1**	**17.8**	**(36.7%)**
Zakat paid	(3.1)	(1.4)	(8.9)	(55%)	536%	(5.4)	(9.4)	74.1%
Payments of employee benefit obligations	(3.1)	(1.0)	(3.9)	(68%)	290%	(3.4)	(3.5)	2.9%
Net cash outflow from operating activities	**(14.6)**	**29.2**	**32.0**	**(300%)**	**10%**	**19.4**	**4.9**	**(74.7%)**

Source: Consolidated financial statements for the fiscal years ended December 31, 2022G, December 31, 2023G, and December 31, 2024G, and for the nine-month period of fiscal year 2025G.

Net cash outflow from operating activities of 14.6 million Saudi Riyals in fiscal year 2022G transformed into a positive operating cash inflow of 29.2 million Saudi Riyals in fiscal year 2023G, driven primarily by improved working capital movement, particularly a decrease in accounts payable outflows and improved accounts receivable controls. Operating cash inflow strengthened to reach 32.0 million Saudi Riyals in fiscal year 2024G, with inventory movement returning to normal and non-cash adjustments contributing positively. During the first nine months of fiscal year 2025G, operating cash inflow declined to 4.9 million Saudi Riyals, reflecting decreased profitability and continued working capital requirements, while the Company maintained its ability to generate cash from operating activities.

5-7-2 Cash Flows from Investing Activities

Table (74): Cash Flows from Investing Activities as of 31 December 2022G, 31 December 2023G, 31 December 2024G, and the nine-month period ending 30 September 2025G

Cash Flows from Investing Activities								
Million Saudi Riyals	2022G	2023G	2024G	Variance for the fiscal year 2022G-2023G	Variance for the fiscal year 2023G-2024G	September 30, 2024G	September 30, 2025G	Variance for 9 months of fiscal year 2024G and the 9 months of fiscal year 2025G
Cash Flows from Investing Activities								
Purchases of property and equipment	(0.9)	(2.6)	(4.5)	189%	73%	(1.6)	(3.9)	144%
Proceeds from disposal of purchases, property, and equipment	0.5	1.8	0.3	260%	(83%)	0.3	30.0	9900%
Acquisition of intangible assets			(0.2)	-	-	(0.2)		-
Net cash inflow (outflow) from investing activities	**(0.4)**	**(0.8)**	**(4.3)**	**100%**	**438%**	**(1.4)**	**26.1**	**(1964%)**

Source: Consolidated financial statements for the fiscal years ended December 31, 2022G, December 31, 2023G, and December 31, 2024G, and for the nine-month period of fiscal year 2025G.

Net cash flows used in investing activities remained modest during the period, with cash outflow increasing from 0.4 million Saudi Riyals in fiscal year 2022G to 0.8 million Saudi Riyals in fiscal year 2023G as a result of increased purchases of property and equipment. In fiscal year 2024G, net investing cash outflows widened to 4.3 million Saudi Riyals, driven primarily by increased capital expenditures and minor intangible additions.

During the first nine months of fiscal year 2025G, investing activities recorded a net cash inflow of 26.1 million Saudi Riyals, supported primarily by proceeds from the sale of property, plant and equipment, which partially offset ongoing capital expenditure. Overall, the investment cash flow movement reflects relatively limited capital expenditure requirements, with the exception of fiscal year 2024G, where higher purchases of property, plant and equipment led to larger outflows.

5-7-3 Cash Flows from Financing Activities

Table (75): Cash Flows from Financing Activities as of 31 December 2022G, 31 December 2023G, 31 December 2024G, and the nine-month period ending 30 September 2025G

Cash Flows from Financing Activities								
Million Saudi Riyals	2022G	2023G	2024G	Variance for the fiscal year 2022G-2023G	Variance for the fiscal year 2023G-2024G	September 30, 2024G	September 30, 2025G	Variance for 9 months of fiscal year 2024G and the 9 months of fiscal year 2025G
Term Loans and Bank Borrowings – net movement	(37.9)	(26.4)	(24.0)	(30%)	(9%)	(18.8)	(31.6)	68%
Payment of lease liabilities	(4.0)	(5.0)	(4.3)	25%	(14%)		-	
Net cash outflows from financing activities	**(41.9)**	**(31.4)**	**(28.3)**	**(25%)**	**(10%)**	**(18.8)**	**(31.6)**	**68%**

Source: Consolidated financial statements for the fiscal years ended December 31, 2022G, December 31, 2023G, and December 31, 2024G, and for the nine-month period of fiscal year 2025G.

The cash outflows from financing activities during the period reflect repayment of long-term financing and lease liabilities. The outflows from financing activities during the period reflect the settlement of long-term financing and lease liabilities.

6

Use of the Offering Proceeds and Future Projects

6- Use of the Offering Proceeds and Future Projects

6-1 Net Offering Proceeds

Total proceeds from the Preemptive Rights Shares offering are estimated at one hundred and sixty-three million, four hundred and fifty-nine thousand, five hundred and ten (163,459,510) Saudi Riyals, of which approximately eleven million, five hundred and fifty thousand (11,550,000) Saudi Riyals will be paid to cover the offering costs, which include the fees of the financial advisor, lead manager, legal advisor, chartered accountant and underwriter, in addition to printing, marketing, distribution and advertising expenses and other costs associated with the subscription.

Net offering proceeds will amount to one hundred and fifty-one million, nine hundred and nine thousand, five hundred and ten (151,909,510) Saudi Riyals, and the Company intends to use the net offering proceeds to settle financial obligations and support its future growth strategy, through the settlement of some outstanding financial obligations to suppliers and the settlement of bank loans, alongside expansion into new sectors represented by the real estate development sector, as a strategic step to add a new activity to the Company's business and diversify its income sources. This investment is expected to contribute to achieving future returns that enhance the Company's growth capacity and support its financial position, and the Company has prepared an economic indicators study to evaluate the economic feasibility and future expectations of the target sector and the viability of investing therein.

The Company shall disclose to the public on the website of the Saudi Exchange (Tadawul) prior to the opening of the trading session, upon the existence of a difference of (5%) or more between the actual uses of the offering proceeds compared to what was disclosed in this Prospectus, immediately upon becoming aware thereof, in accordance with paragraph (F) of Article (57) of the Securities Offering Rules and Continuing Obligations, which stipulates that "the issuer must disclose to the public upon the existence of a difference of (5%) or more between the actual use of the proceeds from the issuance of Preemptive Rights Shares or the issuance of shares with the suspension of the preemptive right compared to what was disclosed in the relevant Prospectus, immediately upon becoming aware thereof."

6-2 Use of Net Offering Proceeds

Net offering proceeds will amount to one hundred and fifty-one million, nine hundred and nine thousand, five hundred and ten (151,909,510) Saudi Riyals, and the Company intends to use the net offering proceeds to settle financial obligations and support its future growth strategy, through the settlement of some outstanding financial obligations to suppliers and the settlement of bank loans, alongside expansion into new sectors represented by the real estate development sector, as a strategic step to add a new activity to the Company's business and diversify its income sources.

Table (76): Use of Offering Proceeds

Item (Saudi Riyals)	Amount	Percentage of total proceeds from the offering
Payment and settlement of bank loans	83,724,339	51.2%
Payment of suppliers and outstanding expenses	18,185,171	11.1%
Development of workers' accommodation building	15,000,000	9.2%
Investment in the real estate sector	35,000,000	21.4%
Offering costs	11,550,000	7.1%
Total	**163,459,510**	**100.0%**

Source: The Company

- **Payment and settlement of bank loans**

The Company intends to direct an amount of eighty-three million, seven hundred and twenty-four thousand, three hundred and thirty-nine (83,724,339) Saudi Riyals from the net offering proceeds to settle outstanding loans, within the framework of its efforts to improve its financial position, reduce financing burdens, and enhance operational efficiency in the long term.

The company has financing loans from banking and governmental entities, and the company intends to use this amount to settle two outstanding loans owed by the company as follows:

Loan due to a local bank (1)

The Company has an outstanding loan with a local bank, obtained on 01/06/2021G as a revolving loan for the purpose of financing working capital, with a repayment due date of 28/02/2025G.

The loan value upon obtaining it amounted to 12,281,651 Saudi Riyals, while the outstanding balance due from the Company amounts to 9,756,226 Saudi Riyals as of the date of the Prospectus, and the Company intends to repay the entire outstanding balance from the offering proceeds.

Loan due to a local bank (2)

The Company has an outstanding loan with a local bank, obtained on 26/11/2012G in the amount of 100,000,000 Saudi Riyals, for the purpose of factory expansion and working capital support, with a repayment due date of 14/07/2031G.

The current outstanding balance due from the Company amounts to 92,460,141 Saudi Riyals as of the date of the Prospectus, and the Company intends to repay an amount of 73,968,113 Saudi Riyals from the outstanding balance from the offering proceeds.

The following table details the loan amounts that the company intends to repay:

Table (77): Loan Repayment

Bank (Saudi Riyals)	Actual loan	Outstanding balance	Expected payment amount
Loan due to a local bank (1)	12,281,651	9,756,226	9,756,226
Loan due to a local bank (2)	100,000,000	92,460,141	73,968,113
Total	**112,281,651**	**102,216,367**	**83,724,339**

Source: The Company

The purpose of repaying these loans is to reduce leverage levels and decrease financing burdens, giving the company greater financial flexibility that enables it to redirect its resources towards high-yield investment and operational projects. This also contributes to improving the company's credit profile and enhancing its future ability to access more suitable financing sources in terms of terms and cost.

- **Payment of suppliers and outstanding expenses**

The Company intends to allocate an amount of eighteen million, one hundred and eighty-five thousand, one hundred and seventy-one (18,185,171) Saudi Riyals from the net offering proceeds to settle amounts due to suppliers and accumulated accrued expenses, within the framework of its plan to reorganize its financial obligations and improve its operational efficiency. The following table shows the details of the amounts due to suppliers and accrued expenses that the Company intends to settle from the net offering proceeds:

Table (78): Payment of suppliers and outstanding expenses

Item (Saudi Riyals)	Amount	Percentage
Suppliers*	16,232,700	89.3%
Outstanding expenses**	1,952,471	10.7%
Total	**18,185,171**	**100%**

Source: The Company

*The Company intends to allocate an amount of sixteen million, two hundred and thirty-two thousand, seven hundred (16,232,700) Saudi Riyals from the net offering proceeds to settle outstanding obligations due to its suppliers. These obligations relate to the years 2024G and 2025G, amounting to 9,091,156 Saudi Riyals and 7,141,544 Saudi Riyals respectively. The value of amounts due for a period of less than three months amounted to 2,135,170 Saudi Riyals, for the period from three months to six months amounted to 837,232 Saudi Riyals, for the period from six months to one year amounted to 4,169,142 Saudi Riyals, and for a period of more than one year amounted to 9,091,156 Saudi Riyals.

These obligations represent amounts owed by the Company resulting from the supply of raw materials, purchases of finished goods and the provision of operational and technical services related to the Company's principal activity, attributable to logistics service providers, maintenance works, other services, outstanding rentals and other outstanding payables. These payables include: amounts due for the supply of raw materials amounting to 8,473,248 Saudi Riyals, purchases of finished goods amounting to 1,937,348 Saudi Riyals, amounts due to other operational and technical service providers amounting to 2,288,343 Saudi Riyals, amounts due for the provision of logistics services amounting to 329,186 Saudi Riyals, outstanding rentals amounting to 2,704,575 Saudi Riyals, and electricity consumption payables amounting to 500,000 Saudi Riyals.

The number of outstanding payables due for settlement amounts to 29 payables, and the settlement of these obligations is considered a fundamental step in the Company's financial and operational path, alleviating short-term pressures on the financial position and improving liquidity ratios.

This approach will contribute to enhancing trust with key suppliers and strategic partners, strengthening the Company's negotiating position with its current and potential suppliers, in addition to supporting supply chain stability and the continuity of operational activities and services, which will positively reflect on the Company's operational and financial performance in the short and medium term.

The Company intends to allocate an amount of one million, nine hundred and fifty-two thousand, four hundred and seventy-one (1,952,471) Saudi Riyals from the net offering proceeds to settle end-of-service benefits, representing end-of-service entitlements for 38 employees whose services with the Company ended during 2025G.

- **Development of workers' accommodation building**

The Company intends to allocate an amount of fifteen million (15,000,000) Saudi Riyals from the net offering proceeds for the development of a workers' accommodation building, which consists of the construction of a new residential building for the Company's workers, erected on a land area of 3,006 square meters, located in the industrial zone in the city of Jeddah, which is a land leased from the Saudi Authority for Industrial Cities and Technology Zones (MODON).

The Company received a notice from MODON indicating that the existing building was unsuitable for use and that it must be demolished and redeveloped in compliance with regulatory requirements and approved safety standards. Accordingly, the Company obtained a demolition permit on 03/07/2025G, and the demolition works of the existing building were carried out.

In this context, the MODON Authority granted the Company a lease contract for a period of two years ending on 03/11/2027G, to enable the Company to reconstruct a new residential building for the Company's workers in accordance with the approved specifications. In accordance with the contractual terms, in the event that the Company executes or commences construction works in accordance with the regulatory requirements, the lease contract will be extended for an additional period of up to eighteen (18) years.

The project aims to increase the accommodation capacity of the building and improve the quality of the facilities and services provided. The building will be constructed on a land area of 3,006 square meters and will consist of a ground floor and four floors. It is planned to allocate three floors for rental purposes, representing approximately 75% of the total built-up area of the building, which will contribute to achieving additional sustainable operational income and supporting the Company's cash flows.

The new design of the building to be developed will include the construction of a residential building consisting of a ground floor and four (4) floors, comprising 186 residential rooms, of which 140 rooms will be allocated for rental to others, while 46 rooms will be allocated for the accommodation of the Company's employees, in accordance with the approved occupancy plan for the project, in addition to supporting service facilities. The project aims to provide a suitable residential environment for workers in compliance with the requirements of the industrial sector in the area.

The company has received a number of price quotes from local contractors specializing in the implementation of workers' housing projects, and is currently studying these quotes in preparation for awarding the contract to the most suitable contractor in terms of quality and cost, in accordance with the applicable regulations.

The project is expected to take approximately twenty-four (24) months to complete from the start of construction, with commercial operation and the availability of residential units for rent commencing during the third quarter of 2028. The following table outlines the timeline and key phases for the development of the workers' accommodation building:

Table (79): Timeline and key phases for implementing the development of the workers' accommodation building

Phase	Period	Phase description
Phase 1	Q3 2026G – Q4 2026G	Preliminary works, excavation and backfilling, foundations, and commencement of structural work
Phase 2	Q1 2027G – Q2 2027G	Completion of the structural work and building works, and commencement of the establishment of basic services.
Phase 3	Q3 2027G – Q4 2027G	Service works (electrical and mechanical), plastering and insulation
Phase 4	Q1 2028G – Q2 2028G	Final finishing works, facades, exterior works, testing and acceptance

Source: The Company

The following table shows the estimated costs for developing the workers' accommodation building:

Table (80): Estimated costs for developing the workers' accommodation building

Expenditure item (Saudi Riyals)	2026G		2027G				2028G		Total
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	
Estimated costs	1,500,000	2,250,000	3,000,000	1,800,000	1,500,000	1,950,000	2,250,000	750,000	15,000,000

Source: The Company

The company expects this investment to contribute to maximizing the benefit from existing assets, diversifying income sources, and achieving stable operating cash flows, thereby supporting the company's financial position and enhancing its ability to develop its future activities.

- **Investment in the real estate sector**

The Company intends to allocate an amount of thirty-five million (35,000,000) Saudi Riyals from the net offering proceeds to invest in the real estate development sector, within the framework of its strategy aimed at diversifying income sources, maximizing return on shareholders' equity, and benefiting from the available investment opportunities in income-generating assets with stable and long-term returns.

This direction comes based on the economic indicators study of the real estate sector in the Kingdom of Saudi Arabia prepared by the Company, which revealed positive growth indicators supported by several economic and demographic factors, most notably the high demand for residential, commercial and logistics units, alongside government support and development projects related to Vision 2030.

According to the study data, the contribution of real estate activities to the Kingdom's gross domestic product reached approximately 6.5%, with a target of raising this percentage to approximately 8.8% by 2030G, reflecting the growing role of the real estate sector in supporting economic growth. Estimates also indicate that the real estate sector is expected to achieve stable annual growth rates over the coming years, supported by an increase in the number of real estate transactions, the expansion of residential and development projects, increased demand from individuals and the private sector, and government initiatives stimulating investment in the sector.

The Company intends to direct this investment towards real estate opportunities that achieve a balance between stability and return, which will contribute to enhancing future cash flows and supporting the Company's financial position, without affecting its core operational activity.

In light of the positive economic indicators of the real estate sector, the Company intends to direct the amount allocated for investment through one or more of the following investment paths, in accordance with what it deems appropriate and in line with its long-term objectives:

- Acquiring income-generating real estate assets with stable operational returns, such as commercial or residential buildings.
- Owning interests in private entities or companies operating in real estate development or real estate asset management.
- Investing in listed or private real estate funds, achieving stable periodic returns.
- Entering into joint real estate development projects with specialized partners, enabling the benefit from shared expertise and resources and reducing risks associated with individual development.

It should be noted that, as at the date of this Prospectus, the Company does not have a dedicated investment committee responsible for reviewing, evaluating and monitoring investment opportunities. Accordingly, decisions relating to the utilisation of the SAR 35,000,000 allocated for investment in the real estate sector, including determining the appropriate investment approach, selecting investment opportunities and approving their terms, will be subject to the discretion and approval of the Board of Directors, in accordance with the powers vested in it and the applicable laws and regulations.

The Board of Directors will review and evaluate the available investment opportunities from financial, commercial, legal and technical perspectives, before making the appropriate investment decision. The available investment alternatives in the real estate sector will be reviewed and evaluated, and the most appropriate alternatives will be selected in terms of risk and return, in line with the Company's strategy of diversifying its sources of income and enhancing its financial sustainability.

6-3 Timetable for Using the Offering Proceeds

Table (81): Timetable for Using the Offering Proceeds

Expenditure item (Saudi Riyals)	2026G		2027G				2028G		Total
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	
Loan Repayment	83,724,339								83,724,339
Payment of suppliers and outstanding expenses	18,185,171								18,185,171
Development of workers' accommodation building	1,500,000	2,250,000	3,000,000	1,800,000	1,500,000	1,950,000	2,250,000	750,000	15,000,000
Investment in the real estate sector		35,000,000							35,000,000
Offering costs	11,550,000								11,550,000
Total	**114,959,510**	**37,250,000**	**3,000,000**	**1,800,000**	**1,500,000**	**1,950,000**	**2,250,000**	**750,000**	**163,459,510**

Source: The Company

It should be noted that the timeline is approximate and the above items will be funded from the proceeds of the offering.

7

Expert Statements

7- Expert Statements

Written approval has been obtained from each of the Company's financial advisor, legal advisor, underwriter and lead manager whose names appear on **pages (F, G)** for the inclusion of their names, logos and statements in the form contained in this Prospectus. Written approval has also been obtained from the Company's chartered accountant for the inclusion of their name, logo and any statement in the form contained in this Prospectus. These approvals have not been withdrawn as of the date of this Prospectus, and none of the aforementioned parties or any of their relatives hold any shares or any interest of any kind in the Company or its subsidiaries.

8

Declarations of Board Members

8- Declarations of Board Members

The members of the Board of Directors, as of the date of this prospectus, acknowledge the following:

- There has been no interruption in the business of the issuer or any of its subsidiaries that could or has had a significant impact on the financial position during the last (12) months.
- No commissions, discounts, brokerage fees, or any non-cash compensation were granted by the issuer or any of its subsidiaries during the three years immediately preceding the filing of the registration and offering of securities in connection with the issuance or offering of any securities.
- Except as stated on page (95) **Section (5) "Financial Information and Management's Discussion and Analysis, sub-paragraph (5.6.10) "Accumulated Losses"** and page (19) **sub-paragraph (2.1.15) "Risks Related to Accumulated Losses" of Section (2) "Risk Factors"**, of this Prospectus, there has been no material adverse change in the financial and commercial position of the issuer or any of its subsidiaries during the three years immediately preceding the date of submission of the registration and offering application for the securities subject to this Prospectus, in addition to the period covered by the chartered accountant's report until the approval of the Prospectus.
- Except as stated on **page (D),** neither the members of the Board of Directors nor any of their relatives have any shares or interest of any kind in the issuer or in any of its subsidiaries.
- The company did not hold treasury shares, and the company's extraordinary general assembly did not approve the purchase of the company's shares.

9

Legal Information

9- Legal Information

9-1 About the Company

9-1-1 Company's Name

- Naseej International Trading Company was initially established as a limited liability company pursuant to Commercial Registration Certificate No. (4030133919) dated 05/03/1422H (corresponding to 28/05/2001G) under the trade name "Al-Sorayai Carpet Factory Company".
- On 11/11/1427H (corresponding to 02/12/2006G), the shareholders of Al-Sorayai Carpet Factory Company resolved to approve the merger of "Abdullah & Nasser Abdulaziz Al-Sorayai General Partnership Company" and "Jeddah Industrial Yarn Factory Company Limited" into the Company. As a result of the merger, the Company's name was amended to become "Al-Sorayai Trading Industrial Group Company Limited".
- On 19/10/1428H (corresponding to 31/10/2007G), the shareholders resolved to convert the Company from a limited liability company to a closed joint stock company while retaining the same trade name without the term "Limited", so that it becomes "Al-Sorayai Trading Industrial Group Company".
- On 03/09/1441H (corresponding to 26/04/2020G), the Extraordinary General Assembly approved the amendment of the Company's trade name from "Al-Sorayai Trading Industrial Group Company" to "Naseej International Trading Company", a listed Saudi joint stock company, which is the current trade name and has not been amended up to the date of this Prospectus.

9-1-2 Establishment of the Company and Stages of Capital Development

- Naseej International Trading Company was initially established as a limited liability company and was registered in the Commercial Register in the city of Jeddah under number (4030133919) dated 05/03/1422H (corresponding to 28/05/2001G) under the trade name "Al-Sorayai Carpet Factory Company".
- On 11/11/1427H (corresponding to 02/12/2006G), the partners of Al-Sorayai Carpet Factory Company resolved to approve the merger of "Abdullah & Nasser Abdulaziz Al-Sorayai General Partnership Company" and "Jeddah Industrial Yarn Factory Company Limited" into the Company. As a result of the merger, the Company's name was amended to become "Al-Sorayai Trading Industrial Group Company Limited", pursuant to the partners' resolution notarized by the Notary Public on 17/01/1428H (corresponding to 05/02/2007G).
- On 19/10/1428H (corresponding to 31/10/2007G), the partners resolved to convert the Company from a limited liability company into a closed joint stock company, retaining the same trade name without the term "Limited," to become "Al-Sorayai Trading Industrial Group Company." The Company maintained the same commercial registration number and date, pursuant to the approval of the Minister of Commerce for the conversion under Ministerial Resolution No. (276/Q) dated 01/11/1428H (corresponding to 11/11/2007G), and the Ministerial Resolution announcing the Company's incorporation No. (325/Q) dated 21/11/1428H (corresponding to 31/12/2007G).
- On 08/03/1431H (corresponding to 22/02/2010G), the Company was converted from a closed joint stock company to a public joint stock company after the expiration of the lock-up period imposed on the founding shareholders for trading their shares. The Company offered nine million (9,000,000) shares, representing (30%) of its capital, for public subscription and its shares were listed on the Saudi Stock Exchange (Main Market).
- On 12/01/1434H (corresponding to 26/11/2012G), the Company's Board of Directors recommended increasing the Company's capital from (300,000,000) Saudi Riyals by (75,000,000) Saudi Riyals to become (375,000,000) Saudi Riyals, representing an increase of 25%, thereby increasing the number of shares from (30,000,000) shares to (37,500,000) shares. This was to be achieved by granting one bonus share for every four shares held by shareholders registered in the Company's records, with the capital increase to be covered through the capitalization of (75,000,000) Saudi Riyals from retained earnings. On 20/05/1434H (corresponding to 01/04/2013G), the Extraordinary General Assembly approved the capital increase.

- On 20/02/1439H (corresponding to 09/11/2017G), the Company's Board of Directors recommended reducing the Company's capital from (375,000,000) Saudi Riyals to (225,000,000) after the reduction, representing a capital decrease of (40%). On 10/04/1439H (corresponding to 28/12/2017G), the Extraordinary General Assembly approved the Board of Directors' recommendation to reduce the Company's capital.
- On 22/11/1440H (corresponding to 25/07/2019G), the Company's Board of Directors recommended reducing the Company's capital from (225,000,000) Saudi Riyals to (65,500,000) Saudi Riyals after the reduction, representing a capital decrease of (70.89%). On 27/12/1440H (corresponding to 28/08/2019G), the Extraordinary General Assembly approved the Board of Directors' recommendation to reduce the Company's capital.
- On 25/01/1441H (corresponding to 24/09/2019G), the Company's Board of Directors recommended increasing the Company's capital from (65,500,000) Saudi Riyals by (112,660,000) to become (178,160,000) Saudi Riyals through the offering and listing of preemptive rights shares consisting of (11,266,000) ordinary shares, representing an increase of (172%). On 27/05/1441H (corresponding to 22/01/2020G), the Extraordinary General Assembly approved the Board of Directors' recommendation to increase the Company's capital by (112,660,000) Saudi Riyals.
- On 03/09/1441H (corresponding to 26/04/2020G), the Extraordinary General Assembly approved the amendment of Article (2) of the Company's Bylaws regarding the change of the Company's name from "Al-Sorayai Trading Industrial Group Company" to "Naseej International Trading Company."
- On 11/02/1442H (corresponding to 28/09/2020G), the Board of Directors of Naseej International Trading Company recommended to the Extraordinary General Assembly a reduction followed by an increase in the Company's capital, as part of restructuring the capital to offset accumulated losses, whereby the capital would be reduced from (178,160,000) Saudi Riyals to (100,755,000) Saudi Riyals, representing a decrease of (43.4%). On the same date, 11/02/1442H (corresponding to 28/09/2020G), the Board of Directors revised its recommendation regarding the capital reduction due to additional losses recorded in the financial statements for Q3 2020G, such that the capital after reduction would amount to (61,632,010) Saudi Riyals, representing a decrease of (65.4%). On 05/05/1442H (corresponding to 20/12/2020G), the Extraordinary General Assembly approved the Board's recommendation to reduce the Company's capital. Subsequently, on 29/03/1443H (corresponding to 04/11/2021G), the Extraordinary General Assembly approved the Board's recommendation to increase the Company's capital, resulting in a post-increase capital of (211,632,010) Saudi Riyals, representing an increase of (243.38%).
- On 27/08/1443H (corresponding to 30/03/2022G), the Board of Directors of Naseej International Trading Company recommended to the Extraordinary General Assembly a reduction of the Company's capital from (211,632,010) Saudi Riyals to (108,973,010) Saudi Riyals after the reduction, representing a decrease of (48.51%), in order to offset accumulated losses amounting to (102,659,000) Saudi Riyals through the cancellation of (10,265,900) shares of the Company. The capital reduction would be carried out at a ratio of (0.485) share for every (1) share held. On 19/12/1443H (corresponding to 18/07/2022G), the Extraordinary General Assembly approved the Board of Directors' recommendation to reduce the Company's capital.
- On 16/02/1444H (corresponding to 12/09/2022G), the Board of Directors of Naseej International Trading Company recommended increasing the Company's capital through a rights issue offering by an amount of (163,459,510) Saudi Riyals, to become (272,432,520) Saudi Riyals after the increase, representing an increase of (149.9999954%). On 27/03/1445H (corresponding to 12/10/2023G), the Capital Market Authority approved the Company's request to increase its capital through a rights issue amounting to (163,459,510) Saudi Riyals. On 25/06/1445H (corresponding to 07/01/2024G), the Extraordinary General Assembly did not approve the Board of Directors' recommendation to increase the Company's capital.
- On 25/08/1445H (corresponding to 06/03/2024G), the Extraordinary General Assembly approved the amendment of the Company's Bylaws to comply with the new Companies Law, and the rearrangement and renumbering of its articles to align with the proposed amendments.
- The Company's current capital amounts to one hundred and eight million, nine hundred and seventy-three thousand and ten (108,973,010) Saudi Riyals divided into ten million, eight hundred and ninety-seven thousand, three hundred and one (10,897,301) equal value shares, with a nominal value of (10) Saudi Riyals each, all of which are ordinary shares against cash contributions.

9-1-3 Capital

- Pursuant to Article Thirteen (13) of the Bylaws, the issuer's share capital is set at one hundred and eight million nine hundred and seventy-three thousand and ten (108,973,010) Saudi Riyals, divided into ten million eight hundred and ninety-seven thousand three hundred and one (10,897,301) shares of equal value, with a nominal value of ten (10) Saudi Riyals per share. All such shares are ordinary shares issued against cash contributions, and the paid-up capital amounts to one hundred and eight million nine hundred and seventy-three thousand and ten (108,973,010) Saudi Riyals.

9-1-4 Substantial Shareholders

- As of the date of this Prospectus, the Company has no Substantial Shareholders holding (5%) or more of the Company's shares.

9-1-5 Head Office

- Pursuant to Article (3) of the Company's Bylaws, the Company's head office is located in the city of Jeddah, and it may establish branches within or outside the Kingdom by resolution of the Board of Directors.
- The Company's current head office, according to the Commercial Register data, is located in the city of Jeddah, Industrial Area, Postal Code: 22429.
- As of the date of this Prospectus, the Company has, in addition to its head office, (12) branches within the Kingdom of Saudi Arabia.

9-1-6 Term of the Company

- Article (5) of the Company's Bylaws provides that the term of the Company shall be (indefinite), commencing from the date of its registration in the Commercial Register.

9-1-7 Objectives of the Company

- Pursuant to Article (4) of the Company's Bylaws, the Company's objectives are as follows:

Table (82): Company Objectives

Chapter	Category
Manufacturing industries	Preparation and spinning of textile fibers
Manufacturing industries	Textile weaving
Manufacturing industries	Carpet and rug making
Construction	Building construction
Construction	Construction of utility projects
Construction	Demolition
Construction	Other structural compositions
Construction	Building completion and finishing
Construction	Other specialized construction activities
Wholesale and retail trade and repair of motor vehicles and motorcycles	Wholesale of textiles, clothing and footwear
Wholesale and retail trade and repair of motor vehicles and motorcycles	Wholesale of other household goods
Wholesale and retail trade and repair of motor vehicles and motorcycles	Wholesale of computers, computer peripherals, and software
Wholesale and retail trade and repair of motor vehicles and motorcycles	Wholesale of other machinery and equipment
Wholesale and retail trade and repair of motor vehicles and motorcycles	Wholesale of waste, scrap, and other products not elsewhere classified
Wholesale and retail trade and repair of motor vehicles and motorcycles	Non-specialized wholesale trade

Chapter	Category
Wholesale and retail trade and repair of motor vehicles and motorcycles	Retail sale of textiles in specialist stores
Wholesale and retail trade and repair of motor vehicles and motorcycles	Carpets, rugs, floor coverings, and wall coverings are sold at retail in specialized stores.
Wholesale and retail trade and repair of motor vehicles and motorcycles	Retail sale of household electrical appliances, furniture, lighting equipment and other household items in specialized stores
Wholesale and retail trade and repair of motor vehicles and motorcycles	Retail sale of books, newspapers, and stationery in specialized stores
Wholesale and retail trade and repair of motor vehicles and motorcycles	Retail sale of textiles, clothing and footwear in kiosks and markets
Transportation and storage	Land transport of goods
Transportation and storage	Storage
Real estate activities	Real estate activities in owned or leased properties
Real estate activities	Real estate activities based on fees or contracts

The Company conducts its activities in accordance with applicable regulations and after obtaining the necessary licenses from the competent authorities, where applicable. **(For further details, please refer to Sub-paragraph (9.5) "Key Licenses, Certificates, and Approvals" of this section.)**

9-1-8 Bylaws

- The current version of the Company's Bylaws was issued pursuant to the resolution of the Extraordinary General Assembly dated 25/08/1445H (corresponding to 06/03/2024G), and was approved by the Ministry of Commerce (Saudi Business Center) under application No. (674793).
- Since the establishment of the Company and up to the date of this Prospectus, several amendments have been made to the Company's Bylaws as follows:
  - At the time of the Company's conversion into a joint stock company, the Company's share capital amounted to two hundred and twenty million (220,000,000) Saudi Riyals, divided into twenty-two million (22,000,000) ordinary shares with a nominal value of ten (10) Saudi Riyals per share. The founders subscribed for all of the Company's shares, totaling twenty-two million (22,000,000) shares.
  - In 2008G, the Extraordinary General Assembly of the shareholders approved an increase in the Company's share capital from two hundred and twenty million (220,000,000) Saudi Riyals to three hundred million (300,000,000) Saudi Riyals, whereby the number of shares was increased from twenty-two million (22,000,000) shares to thirty million (30,000,000) shares.
  - On 20/05/1434H (corresponding to 01/04/2013G), the Extraordinary General Assembly of the shareholders approved an increase in the Company's share capital from three hundred million (300,000,000) Saudi Riyals to three hundred and seventy-five million (375,000,000) Saudi Riyals, whereby the number of shares was increased from thirty million (30,000,000) shares to thirty-seven million five hundred thousand (37,500,000) shares through the issuance of bonus shares at a ratio of one (1) share for every four (4) shares held by shareholders registered in the Company's records at the end of trading on the date of the Extraordinary General Assembly. The capital increase was fully covered by capitalizing seventy-five million (75,000,000) Saudi Riyals from retained earnings as at 30/09/2012G. The purpose of the capital increase was to support the Company's strategic plans for domestic and international expansion. On 07/06/1435H (corresponding to 07/04/2014G), the Extraordinary General Assembly of the shareholders approved the amendment of Article (2) of the Company's Articles of Association relating to the Company's objectives, whereby the following activities were added: establishing, owning, maintaining, cleaning, and constructing institutes, colleges, and universities; establishing, owning, and managing factories and metal drawing trade; establishing, owning, maintaining, cleaning, and constructing healthcare centers; wholesale and retail trade in building materials; and establishing, constructing, and operating private laboratories for standards and measurements.
  - On 07/06/1435H (corresponding to 07/04/2014G), the (Extraordinary) General Assembly of the shareholders approved the amendment of Article (2) of the Company's Bylaws relating to the Company's objectives, whereby the following activities

were added: establishing, owning, maintaining, cleaning, and constructing institutes, colleges, and universities; establishing, owning, and managing factories and metal drawing trade; establishing, owning, maintaining, cleaning, and constructing healthcare centers; wholesale and retail trade in building materials; and establishing, constructing, and operating private laboratories for standards and measurements.

- On 18/04/1438H (corresponding to 16/01/2017G), the (Extraordinary) General Assembly of the shareholders approved the amendment and update of the Company's Bylaws in line with the amendments introduced to the Companies Law.
- On 10/04/1439H (corresponding to 28/12/2017G), the (Extraordinary) General Assembly of the shareholders approved a reduction of the Company's share capital from three hundred and seventy-five million (375,000,000) Saudi Riyals to two hundred and twenty-five million (225,000,000) Saudi Riyals through the cancellation of fifteen million (15,000,000) shares of the Company. Accordingly, the number of shares was reduced from thirty-seven million five hundred thousand (37,500,000) shares to twenty-two million five hundred thousand (22,500,000) shares. The purpose of the capital reduction was to write off accumulated losses.
- On 27/12/1440H (corresponding to 28/08/2019G), the (Extraordinary) General Assembly of the shareholders approved a reduction of the Company's share capital from two hundred and twenty-five million (225,000,000) Saudi Riyals to sixty-five million five hundred thousand (65,500,000) Saudi Riyals through the cancellation of fifteen million nine hundred and fifty thousand (15,950,000) shares of the Company. Accordingly, the number of the Company's shares was reduced to six million five hundred and fifty thousand (6,550,000) shares. The purpose of the capital reduction was to write off accumulated losses.
- On 03/09/1441H (corresponding to 26/04/2020G), the (Extraordinary) General Assembly of the shareholders approved the amendment of the Company's trade name from "Al-Sorayai Trading Industrial Group Company Limited" to "Naseej International Trading Company", a listed Saudi joint stock company, which is the current trade name, and no amendment has been made to the name up to the date of this Prospectus.
- On 27/05/1441H (corresponding to 22/01/2020G), the (Extraordinary) General Assembly of the shareholders approved the increase of the Company's share capital from sixty-five million five hundred thousand (65,500,000) Saudi Riyals to one hundred seventy-eight million one hundred sixty thousand (178,160,000) Saudi Riyals through the offering and listing of Preemptive Rights Shares amounting to eleven million two hundred sixty-six thousand (11,266,000) ordinary shares. Accordingly, the number of shares was increased from six million five hundred fifty thousand (6,550,000) shares to seventeen million eight hundred sixteen thousand (17,816,000) shares, all of which are ordinary shares against cash contributions.
- As of 30/06/2020G, the Company's accumulated losses amounted to seventy-seven million four hundred five thousand (77,405,000) Saudi Riyals, representing (43.4%) of the capital. Accordingly, pursuant to its resolution dated 11/02/1442H (corresponding to 28/09/2020G), the Board of Directors recommended reducing the Company's share capital from one hundred seventy-eight million one hundred sixty thousand (178,160,000) Saudi Riyals to one hundred million seven hundred fifty-five thousand (100,755,000) Saudi Riyals, representing a capital reduction of (43.4%). As the Company's losses as of 30/09/2020G reached one hundred sixteen million five hundred twenty-eight thousand (116,528,000), representing (65.4%) of the Company's share capital, the Board of Directors, by way of circulation resolution dated 24/03/1442H (corresponding to 10/11/2020G), resolved to amend its previous recommendation issued on 11/02/1442H (corresponding to 28/09/2020G) and recommend to the Extraordinary General Assembly a reduction of the Company's share capital from one hundred seventy-eight million one hundred sixty thousand (178,160,000) Saudi Riyals to sixty-one million six hundred thirty-two thousand and ten (61,632,010) Saudi Riyals, noting that this recommendation was conditional upon the Company obtaining the approvals of the competent authorities (the Capital Market Authority "the Authority", Saudi Tadawul Group "Tadawul", and the Ministry of Commerce) and the shareholders at the (Extraordinary) General Assembly. The Company obtained the Authority's approval on 11/04/1442H (corresponding to 26/11/2020G).
- On 05/05/1442H (corresponding to 20/12/2020G), the (Extraordinary) General Assembly of the shareholders approved the reduction of the Company's capital from one hundred seventy-eight million one hundred sixty thousand (178,160,000) Saudi Riyals to sixty-one million six hundred thirty-two thousand and ten (61,632,010) Saudi Riyals, representing a capital reduction of (65.4%) of the Company's share capital, through the cancellation of eleven million six hundred fifty-two thousand seven hundred ninety-nine (11,652,799) shares of the Company. Accordingly, the number of shares was reduced from seventeen million eight hundred sixteen thousand (17,816,000) shares to six million one hundred sixty-three thousand two hundred one (6,163,201) shares. The reason for the capital reduction was to extinguish accumulated losses amounting to one hundred sixteen million five hundred twenty-seven thousand nine hundred ninety (116,527,990) Saudi Riyals.

- On 11/02/1442H (corresponding to 28/09/2020G), the Board of Directors recommended to the (Extraordinary) General Assembly of the shareholders an increase in the Company's share capital to two hundred eleven million six hundred thirty-two thousand and ten (211,632,010) Saudi Riyals through the offering of fifteen million (15,000,000) ordinary Preemptive Rights Shares, subject to the Company obtaining the approvals of the competent authorities (the Capital Market Authority "the Authority", Saudi Tadawul Group "Tadawul", and the Ministry of Commerce) and the shareholders at the (Extraordinary) General Assembly. The approval of the (Extraordinary) General Assembly was obtained on 29/03/1443H (corresponding to 04/11/2021G), and Article (7) of the Company's Bylaws relating to the share capital and Article (8) of the Bylaws relating to the subscription for shares were amended.
- On 19/12/1443H (corresponding to 18/07/2022G), the (Extraordinary) General Assembly of the shareholders approved the reduction of the Company's share capital from two hundred eleven million six hundred thirty-two thousand and ten (211,632,010) Saudi Riyals to one hundred eight million nine hundred seventy-three thousand and ten (108,973,010) Saudi Riyals, representing a capital reduction of (48.51%) of the Company's share capital, through the cancellation of ten million two hundred sixty-five thousand nine hundred (10,265,900) shares of the Company. Accordingly, the number of shares was reduced from twenty-one million one hundred sixty-three thousand two hundred one (21,163,201) shares to ten million eight hundred ninety-seven thousand three hundred one (10,897,301) shares. The reason for the capital reduction was to extinguish accumulated losses amounting to one hundred two million six hundred fifty-nine thousand (102,659,000) Saudi Riyals, pursuant to the recommendation of the Board of Directors at its meeting held on 26/08/1443H (corresponding to 30/03/2022G).
- The Company is committed to the requirements of the Capital Market Authority and the Saudi Exchange (Tadawul) in terms of uploading a copy of the Bylaws on Tadawul's website in the Company's dedicated page. The latest amended version of the Company's Bylaws was approved by the Ministry of Commerce under application number (674793), electronic version number (1), pursuant to the resolution of the (Extraordinary) General Assembly held on 25/08/1445H (corresponding to 06/03/2024G).

9-2 Board of Directors, Committees, and Executive Management

9-2-1 Board of Directors

9-2-1-1 Composition of the Board of Directors

- Pursuant to Article Twenty (20) of the (current) Bylaws, the Company shall be managed by a Board of Directors composed of six (6) members, and it is required that they be natural persons elected by the Ordinary General Assembly of the shareholders for a term not exceeding four (4) years.
- On 14/11/1445H (corresponding to 22/05/2024G), the (Ordinary) General Assembly of the shareholders elected the members of the Board of Directors for a term commencing on 10/01/1446H (corresponding to 16/07/2024G) and ending on 22/02/1450H (corresponding to 15/07/2028G), and the following members were elected:

  1. Waiel Saad Al Rashid
  2. Yasser Suliman Alaqeel
  3. Rasheed Sulaiman Alrasheed
  4. Musalli Mahdi Al Muammar
  5. Meshari Ali Al Nashwan
  6. Firas Ghassab Al-Harbi

- On 16/01/1447H (corresponding to 11/07/2025G), Mr./ Firas bin Ghassab Al-Harbi submitted his resignation from his membership in the Board, and on 11/07/1447H (corresponding to 31/12/2025G), Mr./ Musalli Mahdi Al Muammar submitted his resignation from his membership in the Board. Accordingly, the current Board of Directors is composed of the following members:

Table (83): Board of Directors

No.	Name	Position	Nationality	Age	Membership Type		Appointment Date	Membership Date	Shares Owned			
									Direct	Indirect	Total	Percentage
1	Waiel Saad Abdulaziz Al Rashid	Chairman of the Board	Saudi	55	Independent	Non-Executive	16/07/2024G	16/07/2024G	200	-	200	0.0018353%
2	Rasheed Sulaiman Alrasheed	Vice Chairman of the Board	Saudi	52	Independent	Non-Executive	16/07/2024G	16/07/2024G	5	-	5	0.0000459%
3	Yasser Suliman Alaqeel	Board Member	Saudi	39	Independent	Non-Executive	16/07/2024G	16/07/2024G	10	-	10	0.0000918%
4	Meshari Ali Al Nashwan	Board Member	Saudi	40	Independent	Non-Executive	16/07/2024G	16/07/2024G	20	-	20	0.0001835%
5	Vacant	Board Member	-	-	--	-	-	-	-	-	-	-
6	Vacant	Board Member	-	-	--	-	-	-	-	-	-	-
Board Secretary												
7	Omer Fadul Mohamed Taha	Board Secretary	Sudanese	55	-	-	16/07/2024G	16/07/2024G	0	-	0	-

Source: The Company

- The Company is compliant with the Companies Law with respect to the required number for the formation of the Board, which shall not be less than three (3) members.
- The Company is compliant with Article (68) with respect to adherence to the procedures required for the election of the Board of Directors. Pursuant to Article Five (5) of the Implementing Regulations of the Companies Law for Listed Joint Stock Companies and Article (29) of the Bylaws, the members of the Board were elected using the cumulative voting method, which does not permit the voting right attached to a share to be used more than once.
- The Company is compliant with the membership criteria stipulated in Article (16) of the Corporate Governance Regulations, which require that the majority of the Board members be non-executive members and that the number of independent members shall not be less than two members or one-third of the Board members, whichever is greater. It was found that all Board members are non-executive members and all of them are independent members. **(For further details, please refer to Sub-section No. (9.6.5) " Continuous Obligations According to the Requirements of the Capital Market Authority" of this Section).**

9-2-1-2 Board of Directors' Report

- Pursuant to Article (121) of the Companies Law and Article (49) of the Bylaws, the Board of Directors shall, at the end of each financial year of the Company, prepare the Company's financial statements and a report on its activities and financial position for the expired financial year, and shall include in such report the proposed method for the distribution of dividends. The Board shall make these documents available to the auditor at least forty-five (45) days prior to the date scheduled for the General Assembly meeting.
- As of the date of this Prospectus, the Company is compliant with the foregoing requirement, and the Board has prepared its annual report (pursuant to Article 87 of the Corporate Governance Regulations), which was presented to the (Ordinary) General Assembly of the shareholders held on 14/11/1445H (corresponding to 22/05/2024G), where the Board of Directors' Report for the year 2023G was reviewed and discussed.

- With respect to the Board of Directors' Report for the year 2024G, the Board of Directors reviewed the draft report at its meeting held on 23/09/1446H (corresponding to 23/03/2025G), and it was presented to the General Assembly of the shareholders held on 16/11/1446H (corresponding to 14/05/2025G), where the (Ordinary) General Assembly of the shareholders reviewed and discussed the Board of Directors' Report for the year 2024G.
- The Company is compliant with the disclosure requirements relating to the Board of Directors' Report for the financial years 2023G and 2024G in accordance with the disclosure provisions relating to the Board of Directors' Report set out in the Rules for Offering Securities and Continuing Obligations. The Board of Directors' Report has also been filed on the Company's page on the Tadawul website.

9-2-1-3 Appointment to Mandatory Positions

- Pursuant to Article (25) of the Company's Bylaws, the Board of Directors shall appoint from among its members a Chairman and a Vice Chairman. The Board may also appoint from among its members a Managing Director, and it may appoint a Chief Executive Officer. It is not permissible to combine the position of Chairman of the Board with any executive position in the Company.
- The Board of Directors shall appoint, from among its members or from outside the Board, a Secretary responsible for recording the minutes of the Board's meetings and resolutions and documenting them in a special register prepared for this purpose. The Secretary's remuneration shall be determined by a resolution of the Board. The term of the Chairman of the Board, the Managing Director, and the Board Secretary (if a Board member) shall not exceed their respective membership terms on the Board, and they may be reappointed.
- The Board of Directors shall also appoint a Chief Executive Officer of the Company from among its members or from outside the Board, and the appointment resolution shall determine his powers and remuneration.
- The appointment of a Vice Chairman is considered one of the mandatory positions in listed joint stock companies, and it has been found that the Company is compliant in this regard.
- The Company is compliant with the Bylaws and the Corporate Governance Regulations with respect to the mandatory appointment of these positions, as the Board of Directors has approved the appointment to these positions as follows:

Table (84): Mandatory Positions

Position	Date of Appointment Resolution	Name of the Appointed Person
Chairman of the Board	Board of Directors' resolution dated 10/01/1446H (corresponding to 16/07/2024G)	Dr. Waiel Saad Abdulaziz Al Rashid
Vice Chairman*	Board of Directors' resolution dated 12/07/1447H (corresponding to 01/01/2026G)	Mr. Rasheed Sulaiman Alrasheed
Chief Executive Officer	Board of Directors' resolution dated 13/04/1443H (corresponding to 18/11/2021G)	Mr. Monther Mohammed Abdullah Al Sorayai
Board Secretary	Board of Directors' resolution dated 10/01/1446H (corresponding to 16/07/2024G)	Mr. Omer Fadul Mohamed Taha

Source: The Company

*On 31/12/2025G, the Vice Chairman of the Board, Mr./ Musalli Mahdi Mohammed Al Muammar, submitted his resignation from his membership in the Board, and on 01/01/2026G, Mr./ Rasheed Sulaiman Alrasheed was appointed as Vice Chairman in his place.

9-2-1-4 Rights and Obligations of Board Members and Senior Executives

- Pursuant to Article (24) of the Company's Bylaws, the remuneration of Board members shall consist of a specified amount, or attendance allowances for meetings, or in-kind benefits, or a percentage of net profits, or as determined by the Ordinary General Assembly.
- The Board of Directors' report to the Ordinary General Assembly shall include a comprehensive statement of all amounts received or entitled to be received by each member of the Board of Directors during the financial year in respect of remuneration, expense allowances, and other benefits. It shall also include a statement of what the Board members received in their capacity as employees or administrators, or what they received in return for technical, administrative, or consultancy services. It shall further include the number of Board meetings and the number of meetings attended by each member from the date of the last General Assembly meeting. The Board shall also disclose in its annual report the details of the remuneration policies and the manner in which they are determined.

- The following table shows the value of remuneration received by the Company's directors and senior executives during the past three years:

Table (85): Remuneration of Board Members and Senior Executives

Description	2022G	2023G	2024G
	Saudi Riyals	Saudi Riyals	Saudi Riyals
Board Members – Annual Remuneration and Attendance Allowance	1,867,948	1,122,500	1,228,836
Senior Executives (including the CEO and CFO)	3,757,341	3,336,443	3,529,299
Total	**5,625,289**	**4,458,943**	**4,758,135**

Source: The Company

9-2-1-5 Attendance of Board Meetings

- A member of the Board of Directors shall participate in Board meetings and vote on resolutions in accordance with the Companies Law, its Implementing Regulations, and the Company's Bylaws. The General Assembly may, based on the recommendation of the Board of Directors, terminate the membership of any member who fails to attend three (3) consecutive meetings or five (5) non-consecutive meetings during their term of membership without a legitimate excuse accepted by the Board of Directors.
- According to the minutes of the Board of Directors' meetings, the Board members are compliant with attending the minimum required number of meetings.

9-2-2 Board Committees

9-2-2-1 Audit Committee

- Pursuant to paragraph (A) of Article Fifty-One (51) of the Corporate Governance Regulations, an Audit Committee shall be formed by a resolution of the Board of Directors, consisting of at least three (3) members and not more than five (5) members, who shall be non-executive members of the Board, whether shareholders or others. The resolution shall determine the Committee's duties, rules of operation, and members' remuneration. The Audit Committee is responsible for MONITORING the Company's activities and verifying the integrity and soundness of its financial reports and internal control systems. For this purpose, it has the right to access its records and documents and to request any clarification or information from the members of the Board of Directors or the executive management. It may also request the Board of Directors to call for a General Assembly meeting if the Board impedes its work or if the Company suffers material damage or losses, in addition to the powers delegated to it under the Corporate Governance Regulations.
- The Company has an Audit Committee consisting of three (3) members appointed by the Board of Directors at its meeting held on 10/01/1446H (corresponding to 16/07/2024G). The Board recommended to the General Assembly of the shareholders to approve this appointment.

  The Audit Committee consists of the following members:

  1. Mr./ Rasheed Sulaiman Alrasheed – Committee Chairman.
  2. Mr./ Yasser Suliman Alaqeel – Member.
  3. Mr./ Faisal Sultan Al-Subaie – Member.

- On 28/04/1447H (corresponding to 20/10/2025G), Mr./ Faisal Sultan Musallam Al-Subaie submitted his resignation from his membership in the Committee, and on 01/05/1447H (corresponding to 23/10/2025G), the Board of Directors resolved to appoint Mr./ Khalid Abdulaziz Al Houshan as a member of the Audit Committee (an independent member from outside the Board) as a replacement for the resigning member Mr./ Faisal Sultan Al-Subaie, in order to complete the current Audit Committee term, which ends at the end of the Board term on 15 July 2028G. Accordingly, the Committee is composed of the following members:

1. Mr./ Rasheed Sulaiman Alrasheed – Committee Chairman.
2. Mr./ Yasser Suliman Alaqeel – Member.
3. Mr./ Khalid Abdulaziz Al Houshan – Member.

- As of the date of preparing this Prospectus, the Company has an independent Audit Committee Charter, which was approved by the (Ordinary) General Assembly of the shareholders at its meeting held on 13/10/1444H (corresponding to 03/05/2023G), based on the recommendation of the Board of Directors dated 06/09/1444H (corresponding to 28/03/2023G).
- The Company is compliant with the preparation of the Audit Committee's annual report for the years 2023G and 2024G.
- On 11/10/1446H (corresponding to 09/04/2025G), the Audit Committee report was published on the stock exchange website upon the publication of the invitation to convene the General Assembly.
- On 16/11/1446H (corresponding to 14/05/2025G), a summary of the Audit Committee report for the year 2024G was read during the General Assembly of the shareholders.
- Pursuant to Article (2) of the Audit Committee Charter, the Committee shall hold at least four (4) meetings per year.
- As of the date of preparing this Prospectus, the Audit Committee has held a number of meetings as follows:

Table (86): Audit Committee Meetings

Year	2022G	2023G	2024G	2025G*
Number of Meetings	6	5	10	5

Source: The Company

* Up to the date of this Prospectus

Audit Committee Powers:

The Audit Committee shall have the following powers in order to perform its duties:

1. The right to access the Company's records and documents. The Committee has the right to form a working team emanating from it for any purpose it deems appropriate and consistent with its objectives. It also has the right to delegate some of its powers and authorities to such working team whenever it considers it appropriate, provided that the number of members of any such working team shall not be less than two members.
2. To investigate any activity falling within its mandate or any matter specifically requested by the Board of Directors, the Shareholders' General Assembly, or the external auditors.
3. To seek legal and technical advice from any external or advisory party whenever it is necessary to assist the Committee in performing its duties.
4. The Audit Committee is responsible for overseeing the Company's activities and, in order to perform its duties, it shall have the following:
    A. The right to access the Company's records and documents.
    B. To request any clarification or information from the members of the Board of Directors and the executive management.
    C. To request the Board of Directors to call for a General Assembly meeting if its work is impeded or if the Company is exposed to material damage or significant losses.
    D. To meet with external auditors and the Company's personnel, including the internal auditor, to inquire about audit work and provide any observations within its scope of responsibilities.

9-2-2-2 Remuneration and Nominations Committee

- The Company has a Remuneration and Nominations Committee consisting of three (3) members, which was formed and its members were appointed by the Board of Directors at its meeting held on 21/02/1447H (corresponding to 16/07/2024G) for a term ending with the conclusion of the Board's term on 22/02/1450H (corresponding to 15/07/2028G). The Committee consists of the following members:

  1. Mr./ Yasser Alaqeel – Committee Chairman.
  2. Mr./ Musalli Al Muammar – Committee Member.
  3. Mr./ Firas Al Harbi – Committee Member.

- On 16/01/1447H (corresponding to 11/07/2025G), Mr./ Firas Ghassab Sulaiman Al Harbi submitted his resignation from his membership in the Committee, and on 18/01/1447H (corresponding to 13/07/2025G), the Board of Directors resolved to increase the number of Committee members to four (4 members) and appointed the Chairman of the Board, Dr./ Waiel Saad Al Rashid (an independent member), as a member of the Remuneration and Nominations Committee to replace the resigning member. The Board also appointed Board Member Mr./ Meshari Ali Al Nashwan (an independent member) as a Committee member, in order to complete the current term of the Remuneration and Nominations Committee, which ends with the conclusion of the Board's term on 15 July 2028G. Accordingly, the Committee consists of the following members:

  1. Mr./ Yasser Alaqeel – Committee Chairman.
  2. Mr./ Musalli Al Muammar – Committee Member.
  3. Mr./ Waiel Saad Al Rashid – Committee Member.
  4. Mr./ Meshari Ali Al Nashwan – Committee Member.

  Mr./ Saad Othman was appointed as the (Committee Secretary).

- On 11/07/1447H (corresponding to 31/12/2025G), Mr./ Musalli Mahdi Mohammed Al Muammar submitted his resignation from his membership in the Committee, and on 12/07/1447H (corresponding to 01/01/2026G), the Board of Directors resolved to reduce the number of Remuneration and Nominations Committee members to three (3) members in accordance with the current composition following the resignation of the Committee member. Accordingly, the Committee consists of the following members:

  1. Mr./ Yasser Alaqeel – Committee Chairman.
  2. Mr./ Waiel Saad Al Rashid – Committee Member.
  3. Mr./ Meshari Ali Al Nashwan – Committee Member.

- Pursuant to the Committee's Charter, the Committee shall meet at least twice (2) per year, and additional meetings may be scheduled as deemed appropriate by the Committee members or its Chairman when necessary. The Committee reports to the Board of Directors. As of the date of preparing this Prospectus, the Remuneration and Nominations Committee has held a number of meetings as follows:

Table (87): Remuneration and Nominations Committee Meetings

Year	2022G	2023G	2024G	2025G*
Number of Meetings	4	2	5	4

Source: The Company

*Up to the date of preparation of this Prospectus

Powers of the Remuneration and Nominations Committee:

The Remuneration and Nominations Committee is responsible for the following duties with respect to remuneration:

1. To prepare a clear policy for the remuneration of Board members and the committees emanating therefrom for approval by the General Assembly, provided that such policies take into account performance-based criteria and are disclosed, and to verify their implementation.
2. To clarify the relationship between the remuneration granted and the applicable remuneration policy, and to disclose any material deviation from such policy.
3. To periodically review the remuneration policy and assess its effectiveness in achieving its intended objectives, and to recommend to the Board of Directors the remuneration of Board members, Board committees, and senior executives of the Company in accordance with the approved policy.
4. To recommend to the Board of Directors the remuneration of Board members, Board committees, and the Company's senior executives in accordance with the approved policy.

The Remuneration and Nominations Committee is responsible for the following duties with respect to nominations:

1. To propose clear policies and criteria for membership in the Board of Directors and executive management.
2. To recommend to the Board of Directors the nomination and re-nomination of its members in accordance with the approved policies and criteria, taking into account that no person previously convicted of a crime affecting integrity shall be nominated.
3. To prepare a description of the capabilities and qualifications required for membership of the Board of Directors and for occupying executive management positions.
4. To determine the time that a Board member is required to dedicate to the duties of the Board of Directors.
5. To conduct an annual review of the skills and expertise required for membership of the Board of Directors and executive management positions.
6. To review the structure of the Board of Directors and executive management and submit recommendations to the Board of Directors regarding any changes that may be made.
7. To verify annually the independence of the independent members and the absence of any conflict of interest where a member serves on the board of directors of another company.
8. To develop job descriptions for executive members, non-executive members, independent members, and senior executives.
9. To establish procedures for filling a vacancy in the position of a Board member or a senior executive.
10. To identify the strengths and weaknesses of the Board of Directors and propose solutions to address them in a manner consistent with the interests of the Company.
11. To conduct periodic reviews of the Corporate Governance Charter and submit recommendations and proposals to the Board of Directors regarding amendments thereto in a manner consistent with the Company's interests and objectives.

9-2-2-3 Executive Committee

- The Company has an Executive Committee consisting of three (3) members, which was formed and its members were appointed by the Board of Directors at its meeting held on 21/02/1447H (corresponding to 16/07/2024G) for a term ending on 22/02/1450H (corresponding to 15/07/2028G). The Committee consists of the following members:
    1. Mr./ Firas Al Harbi – Committee Chairman.
    2. Mr./ Waiel Saad Al Rashid – Committee Member.
    3. Mr./ Meshari Ali Al Nashwan – Committee Member.

- On 16/01/1447H (corresponding to 11/07/2025G), Mr./ Firas Ghassab Sulaiman Al Harbi submitted his resignation from his membership in the Committee, and on 18/01/1447H (corresponding to 13/07/2025G), the Board of Directors resolved to appoint Board Member Mr./ Rasheed Sulaiman Alrasheed (an independent member) as a member of the Executive Committee and its Chairman, in replacement of the resigning member, in order to complete the current term of the Executive Committee, which ends with the conclusion of the Board's term on 15 July 2028G. Accordingly, the Committee consists of the following members:
    1. Mr./ Rasheed Sulaiman Alrasheed – Committee Chairman.
    2. Mr./ Waiel Saad Al Rashid – Committee Member.
    3. Mr./ Meshari Ali Al Nashwan – Committee Member.
- Pursuant to paragraph (2-7) of the Committee's Charter, the Committee shall meet at least twice (2) per year, and additional meetings may be scheduled as deemed appropriate by the Committee members or its Chairman when necessary. The Committee reports to the Board of Directors.
- As of the date of preparing this Prospectus, the Executive Committee has held a number of meetings as follows:

Table (88): Executive Committee Meetings

Year	2024G	2025G*
Number of Meetings	4	5

Source: The Company

*Up to the date of preparation of this Prospectus

9-2-3 Executive Management

- In accordance with the Company's policies and the relevant resolutions of the Board of Directors, the Company's Executive Management is entrusted to the Chief Executive Officer and the Chief Financial Officer.
- The position of Chief Executive Officer is currently held by Mr./ Monther Mohammed Abdullah Al Sorayai, and the position of Chief Financial Officer is held by Mr./ Ahmed Abdel Salam Al-Khattabi.

Table (89): Executive Management

No.	Name	Position	Nationality	Age	Date of Appointment	Shares owned "directly"		Shares owned "indirectly"	
						Amount	Percentage	Amount	Percentage
1	Monther Mohammed Abdullah Al Sorayai	CEO	Saudi	55	18/11/2021G	-	-	-	-
2	Ahmed Abdel Salam Al-Khattabi	CFO	Egyptian	38	29/11/2015G	-	-	-	-
3	Ibrahim Al-Dhay	Legal Manager	Sudanese	49	01/09/2022G	-	-	-	-
4	Muhaysin Al-Ghamdi***	Human Resources Manager	Saudi	41	24/09/2006G	-	-	-	-
5	Sayyid Yusuf al-Din	IT Manager	Indian	48	01/01/2008G	-	-	-	-
6	Muhaysin Al-Ghamdi*	Health & Safety Manager	Saudi	41	24/09/2006G	-	-	-	-
7	Amer Seddiki	Carpet and Rug Unit Manager	Pakistani	55	16/11/1997G	-	-	-	-
8	Fawaz Abdo Qassem	Yarns Unit Manager	Yemeni	41	01/12/2009G	-	-	-	-
9	Wissam Sarmani**	Commercial Unit Manager	Syrian	43	12/09/2019G	-	-	-	-
10	Hatem Mohamed Elsayed	Internal Audit Manager	Egyptian	53	17/07/2022G	-	-	-	-

Source: The Company

*Mr. Muhaysin Al-Ghamdi was assigned the duties of Health & Safety Manager by administrative resolution dated 08/10/2025G, and until this date.

** Mr. Wissam Sarmani was assigned the duties of Commercial Unit Manager Unit by an administrative resolution dated 28/03/2023G, and until this date.

***Mr. Muhaysin Al-Ghamdi was assigned the duties of Human Resources Manager by administrative resolution dated 08/10/2025G, and until this date.

- The Executive Management is subject to the oversight of the Board of Directors, which shall verify its performance and the extent of its achievement of the Company's objectives and purposes.

9-3 Corporate Governance

Pursuant to the regulations, rules, and instructions issued by the Capital Market Authority, and in particular the Corporate Governance Regulations, and as of the date of this Prospectus, the Company has a Corporate Governance Manual that was approved by the Board of Directors in its meeting held on 06/09/1444H (corresponding to 28/03/2023G).

In addition to the Corporate Governance Manual, the Company has a number of internal regulations and policies as follows:

Table (90): Internal Regulations and Policies

Regulation / Policy	Approval by the Board of Directors	Approval by the General Assembly
Corporate Governance Regulations	06/09/1444H (corresponding to 28/03/2023G)	-
Audit Committee Charter	26/08/1443H (corresponding to 30/03/2022G)	13/09/1444H (corresponding to 03/05/2023G)
Remuneration and Nominations Committee Charter	26/08/1443H (corresponding to 30/03/2022G)	10/10/1443H (corresponding to 11/05/2022G)
Executive Committee Charter	13/05/1437H (corresponding to 22/02/2016G)	-
Risk Management Policy	08/04/1439H (corresponding to 26/12/2017G)	-
Board of Directors, Board Committees, and Senior Executives Remuneration Policy	-	10/10/1443H (corresponding to 11/05/2022G)
Policies, Standards, and Procedures for Membership in the Board of Directors	-	13/09/1444H (corresponding to 03/05/2023G)
Dividend Distribution Policy	08/04/1439H (corresponding to 26/12/2017G)	-
Conflict of Interest Policy	25/06/1447H (corresponding to 16/12/2025G)	-
Code of Professional Conduct and Ethical Values Policy and Charter	25/06/1447H (corresponding to 16/12/2025G)	-
Disclosure, Transparency, and Regulatory Compliance Policy	08/04/1439H (corresponding to 26/12/2017G)	-
Board of Directors Charter	25/06/1447H (corresponding to 16/12/2025G)	-
Policies or Procedures for Handling Complaints of the Company's Shareholders	08/04/1439H (corresponding to 26/12/2017G)	-
Stakeholders Relations Policy	25/06/1447H (corresponding to 16/12/2025G)	-

Regulation / Policy	Approval by the Board of Directors	Approval by the General Assembly
Shareholders' Rights Policy	25/06/1447H (corresponding to 16/12/2025G)	
Human Resources Policies and Procedures Manual	10/08/1439H (corresponding to 26/04/2018G)	-
Violation Reporting Policy	11/07/1439H (corresponding to 28/03/2018G)	-
Succession Planning Policy and Plans	27/12/1440H (corresponding to 28/08/2019G)	-
Shareholders' Complaints Handling Policy and Procedures	-	-
Controls and Standards for Participation in Activities Competitive to the Company's Business	-	13/10/1444H (corresponding to 03/05/2023G)

Source: The Company

9-4 Subsidiaries

- Pursuant to Article (7) of the Bylaws, the Company may establish, on its own, limited liability companies, closed joint stock companies, simplified joint stock companies, or any other legal entity or form. It may also own shares and interests in other existing companies, acquire or merge with them, and shall have the right to participate with others in the establishment of joint stock companies, limited liability companies, or any other legal entity or form, whether inside or outside the Kingdom or in free zones, after fulfilling the requirements stipulated under the applicable laws and regulations in this regard. The Company may also dispose of such shares or interests, provided that this does not include acting as an intermediary in their trading.
- As of the date of this Prospectus, the Company has three (3) subsidiaries within the Kingdom of Saudi Arabia. Al-Sorayai Company for Operation and Maintenance (Single Person Company) is directly owned by Naseej International Trading Company at a percentage of (100%). Al-Sorayai Projects Company (Single Person Company) is owned by Naseej International Trading Company at a percentage of (100%). The Home Styles Company Limited (Single Person Company) is directly owned by Naseej International Trading Company at a percentage of (100%).
- A brief overview of these companies is set out below:
  - Al-Sorayai Company for Operation and Maintenance Limited (Single Person Company), a limited liability company, was established pursuant to Commercial Registration Certificate No. (4030245783) dated 20/06/1434H (corresponding to 30/04/2013G). It was registered in the Commercial Register under Unified National Number (7001766158) with a capital of one hundred thousand (100,000) Saudi Riyals, pursuant to the Bylaws approved by the Ministry of Commerce under No. (63199) dated 26/04/1444H (corresponding to 20/11/2022G), and published on the Aamali newspaper on 05/12/2022G. This subsidiary carries out retail activities relating to carpets and rugs.
  - Al-Sorayai Projects Company Limited (Single Person Company), a limited liability company, was established pursuant to Commercial Registration Certificate No. (4030249966) dated 06/08/1434H (corresponding to 15/06/2013G). It was registered in the Commercial Register under Unified National Number (7001784110) with a capital of one hundred thousand (100,000) Saudi Riyals, pursuant to the Bylaws approved by the Ministry of Commerce under No. (63194) dated 07/05/1444H (corresponding to 01/12/2022G), and published on the Aamali newspaper on 05/12/2022G. This subsidiary carries out retail activities relating to carpets and rugs.
  - The Home Styles Company Limited, a Saudi limited liability company, was established pursuant to Commercial Registration Certificate No. (4030206178) dated 03/12/1431H (corresponding to 09/11/2010G). It was registered in the Commercial Register under Unified National Number (7001642276) with a capital of one hundred thousand (100,000) Saudi Riyals. This subsidiary carries out retail activities relating to carpets and rugs.

9-5 Key Licenses, Certificates, and Approvals

9-5-1 Key Licenses, Certificates, and Approvals related to the Parent Company

- The Company has obtained several regulatory and operational licenses and certificates from the relevant competent authorities required to carry out its activities in accordance with the applicable regulations in the Kingdom of Saudi Arabia, and these licenses are renewed periodically.

9-5-2 Key Licenses, Certificates, and Approvals of the Head Office

- The Company has obtained several regulatory and operational licenses and certificates from the relevant competent authorities required to conduct its activities in accordance with the applicable regulations in the Kingdom of Saudi Arabia, and such licenses are renewed periodically.

Failure to renew or obtain the required key certificates and licenses may result in penalties imposed on the Company, such as warnings, financial fines, closure of the premises it operates, suspension of government electronic services utilized by the Company, or prohibition from conducting certain activities **(for further details, please refer to Sub-Paragraph (2.1.14) "Risks related to the failure to obtain or renew licenses and certificates" under Section (2) "Risk Factors" of this Prospectus).**

- The following table sets out the current licenses and approvals obtained by the Company relating to its main commercial registration:

Commercial Registration

Table (91): Key Licenses and Certificates of the Company's Head Office

Type of License	Purpose	License Holder	Unified National Number	Commercial Registration Number	Date of Issue/ Registration	Annual Confirmation Date of Commercial Registration	Issuing Authority
Commercial Registration Certificate	Registration of the company in the Commercial Register (companies)	Naseej International Trading Company	7018056049	4030133919	05/03/1422H (corresponding to 28/05/2001G)	04/03/1448H (corresponding to 17/08/2026G)	Ministry of Commerce – Commercial Register

Other Licenses and Certificates

Table (92): Other Licenses and Certificates

Type of License	Purpose	License Holder	License Number	Date of Issue/ Renewal	Expiry Date	Issuing Authority
Commercial and Industrial Chamber Membership Certificate	In compliance with the provisions of the Commercial Registry Law - the company is a joint venture of the (first) degree.	Naseej International Trading Company	79653	19/05/1447H (corresponding to 10/11/2025G)	04/03/1448H (corresponding to 17/08/2026G)	Eastern Province Chamber of Commerce and Industry
Zakat and Tax Certificate	Certifying that the Company has submitted its annual declaration and has complied with the payment of Zakat.	Naseej International Trading Company	1116462347	01/03/1447H (corresponding to 24/08/2025G)	13/11/1447H (corresponding to 30/04/2026G)	Zakat, Tax and Customs Authority
Value Added Tax (VAT) Registration Certificate	Certifying that the Company is registered for Value Added Tax (VAT).	Naseej International Trading Company	300227459800003	03/12/1438H (corresponding to 25/08/2017G)	-	Zakat, Tax and Customs Authority

Type of License	Purpose	License Holder	License Number	Date of Issue/ Renewal	Expiry Date	Issuing Authority
Certificate of Social Insurance Enrollment*	In compliance with the Social Insurance Law.	Naseej International Trading Company	106544970	27/06/1447H (corresponding to 18/12/2025G)	29/07/1447H (corresponding to 18/01/2026G)	General Organization for Social Insurance
Wage Protection System Compliance Certificate**	In compliance with the Wage Protection System.	Naseej International Trading Company	207274-12451288	20/05/1447H (corresponding to 11/11/2025G)	20/06/1447H (corresponding to 11/12/2025G)	Wage Protection System – Ministry of Human Resources and Social Development
Localization Certificate***	Certifying that the Company complies with the required Localization rate under the Nitaqat program.	Naseej International Trading Company	169613-74496161	09/09/1447H (corresponding to 26/02/2026G)	10/12/1447H (corresponding to 27/05/2026G)	Ministry of Human Resources and Social Development
Debt Certificate	Certifying that the Company has outstanding dues related to violations or active cases pending settlement or work permits.	Naseej International Trading Company	185441-21375068	04/11/1447H (corresponding to 21/04/2026G)	04/12/1447H (corresponding to 21/05/2026G)	Ministry of Human Resources and Social Development – Qiwa platform
ISO Certificate	Certifying that the Company's management system is compliant with ISO 9001:2015 standards.	Naseej International Trading Company	0140135	29/06/1444H (corresponding to 22/01/2023G)	06/09/1450H (corresponding to 21/01/2029G)	INTEREK
ISO Certificate	Certifying that the Company's management system is compliant with ISO 14001:2015 standards.	Naseej International Trading Company	0140133	29/06/1444H (corresponding to 22/01/2023G)	06/09/1450H (corresponding to 21/01/2029G)	INTEREK
ISO Certificate	Certifying that the Company's management system is compliant with ISO 45001:2018 standards.	Naseej International Trading Company	0140134	29/06/1444H (corresponding to 22/01/2023G)	06/09/1450H (corresponding to 21/01/2029G)	INTEREK
Environmental Operating Permit	In compliance with the regulations of the National Center for Environmental Compliance.	Al-Sorayai Carpet Factory Company	EPOPP-2025-000413	21/10/1447H (corresponding to 09/04/2026G)	25/11/1450H (corresponding to 09/04/2029G)	National Center for Environmental Compliance (Jeddah)

Source: The Company

*A compliance certificate is valid for a maximum period of three months and is electronically renewable upon request.

** A compliance certificate is valid for a maximum period of one month and is electronically renewable upon request.

*** A compliance certificate is valid for a maximum period of three months and is electronically renewable upon request.

9-5-3 Key Licenses, Certificates, and Approvals related to the Branch

- The Company's branches have obtained several regulatory and operational licenses and certificates from the relevant competent authorities required to conduct their activities in accordance with the applicable regulations in the Kingdom of Saudi Arabia, and such licenses are renewed periodically.
- Failure to renew or obtain the required key certificates and licenses may result in penalties imposed on the Company's branch, such as warnings, financial fines, closure of the premises it operates, suspension of government electronic services utilized by the branch, or prohibition from conducting certain activities **(for further details, please refer to Sub-Paragraph (2.1.14) "Risks related to the failure to obtain or renew licenses and certificates" under Section (2) "Risk Factors" of this Prospectus).**

Commercial Registration:

Table (93): Licenses and Approvals of the Company's Branch

Type of License	Purpose	License Holder	Unified National Number	Commercial Registration Number	Date of Issue/ Registration	Annual Confirmation Date of Commercial Registration	Issuing Authority
Jeddah Industrial Yarn Factory							
Commercial Registration Certificate	Registration of the Company in the Commercial Register (Companies)	Jeddah Industrial Yarn Factory Company	7014741388	4030115974	03/07/1416H (corresponding to 25/11/1995G)	13/07/1448H (corresponding to 22/12/2026G)	Ministry of Commerce - Commercial Register
Al-Sorayai Carpet Factory Company							
Commercial Registration Certificate	Registration of the Company in the Commercial Register (Companies)	Al-Sorayai Carpet Factory Company	7006372531	4030131014	08/05/1421H (corresponding to 08/08/2000G)	18/05/1448H (corresponding to 29/10/2026G)	Ministry of Commerce - Commercial Register
Branch of Naseej International Trading Company (Riyadh)							
Commercial Registration Certificate	Registration of the Company in the Commercial Register (Companies)	Branch of Naseej International Trading Company	7011898793	1010006131	20/01/1392H (corresponding to 06/03/1972G)	01/06/1448H (corresponding to 11/11/2026G)	Ministry of Commerce - Commercial Register
Branch of Naseej International Trading Company (Makkah)							
Commercial Registration Certificate	Registration of the Company in the Commercial Register (Companies)	Branch of Naseej International Trading Company	7006803642	4031003965	29/02/1388H (corresponding to 26/05/1968G)	10/06/1448H (corresponding to 20/11/2026G)	Ministry of Commerce - Commercial Register
Branch of Naseej International Trading Company (Abha)							
Commercial Registration Certificate	Registration of the Company in the Commercial Register (Companies)	Branch of Naseej International Trading Company	7012360306	5850021602	22/10/1422H (corresponding to 06/01/2002G)	12/11/1448H (corresponding to 19/04/2027G)	Ministry of Commerce - Commercial Register

Type of License	Purpose	License Holder	Unified National Number	Commercial Registration Number	Date of Issue/ Registration	Annual Confirmation Date of Commercial Registration	Issuing Authority
Branch of Naseej International Trading Company (Jeddah)							
Commercial Registration Certificate	Registration of the Company in the Commercial Register (Companies)	Branch of Naseej International Trading Company	7006830934	4030195587	05/01/1431H (corresponding to 22/12/2009G)	16/07/1448H (corresponding to 25/12/2026G)	Ministry of Commerce - Commercial Register
Branch of Naseej International Trading Company (Taif)							
Commercial Registration Certificate	Registration of the Company in the Commercial Register (Companies)	Branch of Naseej International Trading Company	7012372954	4032000509	01/08/1388H (corresponding to 22/10/1968G)	10/06/1448H (corresponding to 20/11/2026G)	Ministry of Commerce - Commercial Register
Branch of Naseej International Trading Company (Jazan)							
Commercial Registration Certificate	Registration of the Company in the Commercial Register (Companies)	Branch of Naseej International Trading Company	7011920647	5900003118	02/06/1406H (corresponding to 11/02/1986G)	10/06/1448H (corresponding to 20/11/2026G)	Ministry of Commerce - Commercial Register
Branch of Naseej International Trading Company (Tabuk)							
Commercial Registration Certificate	Registration of the Company in the Commercial Register (Companies)	Branch of Naseej International Trading Company	7012322447	3550012274	29/07/1414H (corresponding to 11/01/1994G)	09/08/1448H (corresponding to 17/01/2027G)	Ministry of Commerce - Commercial Register
Branch of Naseej International Trading Company (Sakaka)							
Commercial Registration Certificate	Registration of the Company in the Commercial Register (Companies)	Branch of Naseej International Trading Company	7006993419	3400010968	29/03/1428H (corresponding to 17/04/2007G)	09/04/1448H (corresponding to 20/09/2026G)	Ministry of Commerce - Commercial Register
Branch of Naseej International Trading Company (Dammam)							
Commercial Registration Certificate	Registration of the Company in the Commercial Register (Companies)	Branch of Naseej International Trading Company	7006402478	2050013058	21/02/1403H (corresponding to 06/12/1982G)	10/06/1448H (corresponding to 20/11/2026G)	Ministry of Commerce - Commercial Register
Branch of Naseej International Trading Company (Buraidah)							
Commercial Registration Certificate	Registration of the Company in the Commercial Register (Companies)	Branch of Naseej International Trading Company	7012350240	1131008569	11/11/1410H (corresponding to 04/06/1990G)	20/11/1447H (corresponding to 07/05/2026G)	Ministry of Commerce - Commercial Register

Other Licenses and Certificates

Table (94): Other Licenses and Certificates

Type of License	Purpose	License Holder	License Number	Date of Issue/ Renewal	Expiry Date	Issuing Authority
Jeddah Industrial Yarn Factory Company (7014741388)						
Certificate of Social Insurance Enrollment*	In compliance with the Social Insurance Law	Jeddah Industrial Yarn Factory Company	106545364	27/06/1447H (corresponding to 18/12/2025G)	29/07/1447H (corresponding to 18/01/2026G)	General Organization for Social Insurance
Wage Protection System Compliance Certificate	In compliance with the Wage Protection System	Jeddah Industrial Yarn Factory Company	194653-45031413	20/05/1447H (corresponding to 11/11/2025G)	20/06/1447H (corresponding to 11/12/2025G)	Wage Protection System – Ministry of Human Resources and Social Development
Localization Certificate	This is to certify that the Company complies with the required Localization percentage under the Nitaqat program	Jeddah Industrial Yarn Factory Company	202501-13186547	09/09/1447H (corresponding to 26/02/2026G)	10/12/1447H (corresponding to 27/05/2026G)	Ministry of Human Resources and Social Development
Debt Certificate	This is to confirm that the Company has outstanding liabilities arising from violations or active cases under settlement or work permits	Jeddah Industrial Yarn Factory Company	102233-14416388	04/11/1447H (corresponding to 21/04/2026G)	04/12/1447H (corresponding to 21/05/2026G)	Ministry of Human Resources and Social Development – Qiwa
Industrial Establishment License	In compliance with the regulations of the Ministry of Energy, Industry and Mineral Resources, and the Company is licensed to conduct the activity (preparation and spinning of textile fibers)	Jeddah Industrial Yarn Factory Company	1409100184291	12/09/1409H (corresponding to 18/04/1989G)	08/01/1451H (corresponding to 21/05/2028G)	Ministry of Industry and Mineral Resources
Operating License Contract No. (811482)	The Company's compliance with the regulations of the Ministry of Industry and Mineral Resources	Jeddah Industrial Yarn Factory Company	OLC-23-09-18003367	03/03/1445H (corresponding to 18/09/2023G)	15/03/1446H (corresponding to 18/09/2024G)	Saudi Authority for Industrial Cities and Technology Zones
Al-Sorayai Carpet Factory Company (7006372531)						
Certificate of Social Insurance Enrollment*	In compliance with the Social Insurance Law	Al-Sorayai Carpet Factory Company	106545487	27/06/1447H (corresponding to 18/12/2025G)	29/09/1447H (corresponding to 18/03/2026G)	General Organization for Social Insurance
Wage Protection System Compliance Certificate	In compliance with the Wage Protection System	Al-Sorayai Carpet Factory Company	179266-50430614	20/05/1447H (corresponding to 11/11/2025G)	20/06/1447H (corresponding to 11/12/2025G)	Wage Protection System – Ministry of Human Resources and Social Development

Type of License	Purpose	License Holder	License Number	Date of Issue/ Renewal	Expiry Date	Issuing Authority
Localization Certificate	This is to certify that the Company complies with the required Localization percentage under the Nitaqat program	Al-Sorayai Carpet Factory Company	171025-16004518	09/09/1447H (corresponding to 26/02/2026G)	10/12/1447H (corresponding to 27/05/2026G)	Ministry of Human Resources and Social Development
Debt Certificate	This is to confirm that the Company has outstanding liabilities arising from violations or active cases under settlement or work permits	Al-Sorayai Carpet Factory Company	883609-69941054	04/11/1447H (corresponding to 21/04/2026G)	04/12/1447H (corresponding to 21/05/2026G)	Ministry of Human Resources and Social Development – Qiwa
Operating License Contract No. (30680)	The Company's compliance with the regulations of the Ministry of Industry and Mineral Resources	Al-Sorayai Carpet Factory Company	5871444714030548	14/07/1444H (corresponding to 05/02/2023G)	24/07/1445H (corresponding to 05/02/2024G)	Saudi Authority for Industrial Cities and Technology Zones
Industrial Establishment License	In compliance with the regulations of the Ministry of Energy, Industry and Mineral Resources, and the Company is licensed to carry out the activity (manufacture of rugs and carpets)	Al-Sorayai Carpet Factory Company	441110127534	26/11/1444H (corresponding to 15/06/2023G)	22/01/1450H (corresponding to 15/06/2028G)	Ministry of Industry and Mineral Resources
Environmental Operating Permit	In compliance with the regulations of the National Center for Environmental Compliance	Al-Sorayai Carpet Factory Company	EPC2-2024-006313	12/12/2024G	03/12/2024G	National Center for Environmental Compliance (Jeddah)
Branch of Naseej International Trading Company (7011898793)						
Certificate of Social Insurance Enrollment*	In compliance with the Social Insurance Law	Branch of Naseej International Trading Company	106545040	27/06/1447H (corresponding to 18/12/2025G)	29/09/1447H (corresponding to 18/03/2026G)	General Organization for Social Insurance
Wage Protection System Compliance Certificate	In compliance with the Wage Protection System	***	***	-	-	Wage Protection System – Ministry of Human Resources and Social Development
Localization Certificate	This is to certify that the Company complies with the required Localization percentage under the Nitaqat program	Branch of Naseej International Trading Company	891998-14490128	09/09/1447H (corresponding to 26/02/2026G)	10/12/1447H (corresponding to 27/05/2026G)	Ministry of Human Resources and Social Development

Type of License	Purpose	License Holder	License Number	Date of Issue/ Renewal	Expiry Date	Issuing Authority
Debt Certificate	This is to confirm that the Company has outstanding liabilities arising from violations or active cases under settlement or work permits	Branch of Naseej International Trading Company	192517-50186407	04/11/1447H (corresponding to 21/04/2026G)	04/12/1447H (corresponding to 21/05/2026G)	Ministry of Human Resources and Social Development – Qiwa
Safety Certificate	This is to confirm that the Company complies with the field safety standards and requirements of the Civil Defense Authority	Branch of Naseej International Trading Company	1-001122493-44	20/09/1444H (corresponding to 11/04/2023G)	20/09/1445H (corresponding to 30/03/2024G)	General Directorate of Civil Defense
Branch of Naseej International Trading Company (7006803642)						
Certificate of Social Insurance Enrollment*	In compliance with the Social Insurance Law	Branch of Naseej International Trading Company	106545097	27/06/1447H (corresponding to 18/12/2025G)	29/09/1447H (corresponding to 18/03/2026G)	General Organization for Social Insurance
Wage Protection System Compliance Certificate	In compliance with the Wage Protection System	Branch of Naseej International Trading Company	990533-20792348	20/05/1447H (corresponding to 11/11/2025G)	20/06/1447H (corresponding to 11/12/2025G)	Wage Protection System – Ministry of Human Resources and Social Development
Localization Certificate	This is to certify that the Company complies with the required Localization percentage under the Nitaqat program	Branch of Naseej International Trading Company	103233-66677187	09/09/1447H (corresponding to 26/02/2026G)	10/12/1447H (corresponding to 27/05/2026G)	Ministry of Human Resources and Social Development
Debt Certificate	This is to confirm that the Company has outstanding liabilities arising from violations or active cases under settlement or work permits	Branch of Naseej International Trading Company	728783-96690835	04/11/1447H (corresponding to 21/04/2026G)	04/12/1447H (corresponding to 21/05/2026G)	Ministry of Human Resources and Social Development – Qiwa
Municipal License	Commercial Activity License	Branch of Naseej International Trading Company	3909573940	-	09/02/1447H (corresponding to 03/08/2025G)	Makkah Governorate – Al-Maabdah Sub-Municipality
Branch of Naseej International Trading Company (7012360306)						
Certificate of Social Insurance Enrollment*	In compliance with the Social Insurance Law	Branch of Naseej International Trading Company	106545358	27/06/1447H (corresponding to 18/12/2025G)	29/07/1447H (corresponding to 18/01/2026G)	General Organization for Social Insurance
Wage Protection System Compliance Certificate	In compliance with the Wage Protection System	Branch of Naseej International Trading Company	123156-52664594	20/05/1447H (corresponding to 11/11/2025G)	20/06/1447H (corresponding to 11/12/2025G)	Wage Protection System – Ministry of Human Resources and Social Development

Type of License	Purpose	License Holder	License Number	Date of Issue/ Renewal	Expiry Date	Issuing Authority
Localization Certificate	This is to certify that the Company complies with the required Localization percentage under the Nitaqat program	Branch of Naseej International Trading Company	841557-55956877	09/09/1447H (corresponding to 26/02/2026G)	10/12/1447H (corresponding to 27/05/2026G)	Ministry of Human Resources and Social Development
Debt Certificate	This is to confirm that the Company has no outstanding liabilities arising from violations or active cases under settlement or work permits	Branch of Naseej International Trading Company	123508-11840872	04/11/1447H (corresponding to 21/04/2026G)	04/12/1447H (corresponding to 21/05/2026G)	Ministry of Human Resources and Social Development – Qiwa
Municipal License	Commercial Activity License	Branch of Naseej International Trading Company	460216735124	-	30/03/1449H (corresponding to 01/09/2027G)	Aseer Governorate – Khamis Mushait Municipality
Safety Certificate	This is to confirm that the Company complies with the field safety standards and requirements of the Civil Defense Authority	Branch of Naseej International Trading Company	1-001608738-46	22/03/1446H (corresponding to 25/09/2024G)	30/03/1449H (corresponding to 01/09/2027G)	General Directorate of Civil Defense
Branch of Naseej International Trading Company (7006830934)						
Municipal License	Commercial Activity License	Branch of Naseej International Trading Company	43109831480	-	25/01/1449H (corresponding to 30/06/2027G)	Jeddah Governorate Municipality – Airport Municipality
Safety Certificate	This is to confirm that the Company complies with the field safety standards and requirements of the Civil Defense Authority	Branch of Naseej International Trading Company	2-000929956-47	12/07/1447H (corresponding to 01/01/2026G)	25/01/1449H (corresponding to 30/06/2027G)	General Directorate of Civil Defense
Branch of Naseej International Trading Company (7012372954)						
Municipal License	Commercial Activity License	Branch of Naseej International Trading Company	441212621202	-	06/05/1448H (corresponding to 17/10/2026G)	Taif Governorate – Al-Sail Sub-Municipality
Safety Certificate	This is to confirm that the Company complies with the field safety standards and requirements of the Civil Defense Authority	Branch of Naseej International Trading Company	1-001215138-45	06/05/1445H (corresponding to 20/10/2023G)	06/05/1448H (corresponding to 17/10/2026G)	General Directorate of Civil Defense
Branch of Naseej International Trading Company (7011920647)						
Municipal License	Commercial Activity License	Branch of Naseej International Trading Company	440911997427	-	10/10/1448H (corresponding to 18/03/2027G)	Jazan Municipality

Type of License	Purpose	License Holder	License Number	Date of Issue/ Renewal	Expiry Date	Issuing Authority
Safety Certificate	This is to confirm that the Company complies with the field safety standards and requirements of the Civil Defense Authority	Branch of Naseej International Trading Company	2-001157465-47	12/02/1447H (corresponding to 06/08/2025G)	10/10/1448H (corresponding to 18/03/2027G)	General Directorate of Civil Defense
Branch of Naseej International Trading Company (7006993419)						
Municipal License	Commercial Activity License	Branch of Naseej International Trading Company	40062043024	-	02/06/1447H (corresponding to 23/11/2025G)	Al-Jouf Governorate – Central Sakaka Municipality

Source: The Company

9-5-4 Licenses, Certificates, and Key Approvals Relating to Subsidiary Companies

- The subsidiaries have obtained several regulatory and operational licenses and certificates from the competent authorities required to conduct their activities in accordance with the applicable laws and regulations in the Kingdom of Saudi Arabia, and such licenses are renewed periodically.
- Failure to renew or obtain the required key certificates and licenses may result in penalties imposed on the subsidiary company, such as warnings, financial fines, closure of the premises it operates, suspension of government electronic services utilized by it, or prohibition from conducting certain activities **(for further details, please refer to Sub-Paragraph (2.1.14) "Risks related to the failure to obtain or renew licenses and certificates" under Section (2) "Risk Factors" of this Prospectus).**

Commercial Registration:

Table (95): Licenses, Approvals, and Certificates Obtained by the Subsidiaries

Type of License	Purpose	License Holder	Unified National Number	Establishment Number	Date of Issuance/ Registration	Annual Confirmation Date of the Commercial Registration	Issuing Authority
Al-Sorayai Company for Operation and Maintenance							
Commercial Registration Certificate	Company Registration in the Commercial Register (Companies)	Al-Sorayai Company for Operation and Maintenance Limited	7001766158	4030245783	20/06/1434H (corresponding to 30/04/2013G)	02/07/1448H (corresponding to 11/12/2026G)	Ministry of Commerce - Commercial Register
Al-Sorayai Projects Company							
Commercial Registration Certificate	Company Registration in the Commercial Register (Companies)	Al-Sorayai Projects Company	7001784110	4030249966	06/08/1434H (corresponding to 15/06/2013G)	17/08/1448H (corresponding to 25/01/2027G)	Ministry of Commerce - Commercial Register
The Home Styles Company Limited							
Commercial Registration Certificate	Company Registration in the Commercial Register (Companies)	The Home Styles Company Limited	7001642276	4030206178	03/12/1431H (corresponding to 09/11/2010G)	03/12/1446H (corresponding to 30/05/2025G)	Ministry of Commerce - Commercial Register

Other Licenses and Certificates:

Table (96): Other Licenses and Certificates

Type of License	Purpose	License Holder	License Number	Date of Issuance/ Renewal	Expiry Date	Issuing Authority
Al-Sorayai Company for Operation and Maintenance (7001766158)						
Chamber of Commerce and Industry Membership Certificate (Second Class)	Company Compliance with the Commercial Register System	Al-Sorayai Company for Operation and Maintenance	183771	09/09/1447H (corresponding to 26/02/2026G)	11/08/1448H (corresponding to 19/01/2027G)	Jeddah Chamber of Commerce and Industry
Social Insurance Certificate	Company Compliance with the Regulations of the General Organization for Social Insurance	Al-Sorayai Company for Operation and Maintenance	112595161	04/11/1447H (corresponding to 21/04/2026G)	04/12/1447H (corresponding to 21/05/2026G)	General Organization for Social Insurance
Localization Certificate	This is to certify that the Company complies with the required localization rate under the Nitaqat program.	Al-Sorayai Company for Operation and Maintenance	932780-12190273	09/09/1447H (corresponding to 26/02/2026G)	10/12/1447H (corresponding to 27/05/2026G)	Ministry of Human Resources and Social Development
Wage Protection System Compliance Certificate	This is to certify that the Company is committed to depositing employees' wages through local banks and regularly submitting the wage protection file.	Al-Sorayai Company for Operation and Maintenance	152095-15550522	20/05/1447H (corresponding to 11/11/2025G)	20/06/1447H (corresponding to 11/12/2025G)	Ministry of Human Resources and Social Development
Debt Certificate	This is to certify that the Company has outstanding liabilities arising from violations or active cases for settlement or work permits.	Al-Sorayai Projects Company	108103-15749839	04/11/1447H (corresponding to 21/04/2026G)	04/12/1447H (corresponding to 21/05/2026G)	Ministry of Human Resources and Social Development and Social Insurance - Qiwa
Al-Sorayai Projects Company (7001784110)						
Chamber of Commerce and Industry Membership Certificate (Fourth Class)	Company Compliance with the Commercial Register System	Al-Sorayai Projects Company	186742	19/10/1447H (corresponding to 07/04/2026G)	29/10/1448H (corresponding to 06/04/2027G)	Jeddah Chamber of Commerce and Industry
Social Insurance Certificate	Company Compliance with the Regulations of the General Organization for Social Insurance	Al-Sorayai Projects Company	110181791	09/09/1447H (corresponding to 26/02/2026G)	09/12/1447H (corresponding to 26/05/2026G)	General Organization for Social Insurance
Localization Certificate	This is to certify that the Company complies with the required localization rate under the Nitaqat program.	Al-Sorayai Projects Company	138077-19229983	09/09/1447H (corresponding to 26/02/2026G)	10/12/1447H (corresponding to 27/05/2026G)	Ministry of Human Resources and Social Development

Type of License	Purpose	License Holder	License Number	Date of Issuance/ Renewal	Expiry Date	Issuing Authority
Wage Protection System Compliance Certificate	This is to certify that the Company is committed to depositing employees' wages through local banks and regularly submitting the wage protection file.	Al-Sorayai Projects Company	***	***	****	Ministry of Human Resources and Social Development
Debt Certificate	This is to certify that the Company has outstanding liabilities arising from violations or active cases for settlement or work permits.	Al-Sorayai Projects Company	538166-14680243	04/11/1447H (corresponding to 21/04/2026G)	04/12/1447H (corresponding to 21/05/2026G)	Ministry of Human Resources and Social Development and Social Insurance - Qiwa

Source: The Company

9-6 Continuous Obligations Imposed by Government Authorities on the Company in its Capacity as the "License Holder"

The Company is required to comply with the continuous obligations imposed by government authorities on it in its capacity as the License Holder, and failure to comply with such obligations may result in penalties such as warnings or financial fines, in addition to the possibility of closure of premises or suspension of government electronic services. Set out below are the key continuous obligations imposed by government authorities in the Kingdom of Saudi Arabia on the Company and its subsidiary in their capacity as the License Holder:

9-6-1 Continuous Obligations According to the Requirements of the Ministry of Commerce

The Company is compliant with the Commercial Register System with respect to registration with the Commercial Register Department in the City of Riyadh, where its head office is located, pursuant to Certificate No. (4030133919) dated 05/03/1422H (corresponding to 08/05/2001G), Unified National Number (7018056049), and with an annual confirmation date of the Commercial Registration of 04/03/1448H (corresponding to 17/08/2026G).

The Company is also compliant with the Commercial Register System with respect to obtaining a membership certificate from the Chamber of Commerce and Industry in the Eastern Province under Membership No. (79653), dated 19/05/1447H (corresponding to 10/11/2025G), which expires on 04/03/1448H (corresponding to 17/08/2026G).

As of the date of this Prospectus, the Company has complied with the requirement to align and update its Bylaws in accordance with the Companies Law issued pursuant to Royal Decree No. (M/132) dated 01/12/1443H (corresponding to 30/06/2022G). On 25/08/1445H (corresponding to 06/03/2024G), the (Extraordinary) General Assembly approved the amendment of the Bylaws, and the procedures for issuing the Bylaws with the Ministry of Commerce were completed. Such procedures have been finalized, and the Bylaws have been issued and published on the website of (Tadawul) as of the date of this Prospectus.

The latest version of the Bylaws was issued pursuant to the resolution of the (Extraordinary) General Assembly of Shareholders convened on 25/08/1445H (corresponding to 06/03/2024G), and the Company has complied with the requirements of the Capital Market Authority and Saudi Tadawul Company (Tadawul) with respect to publishing an electronic copy of the Bylaws on Tadawul's website on the page designated for the Company.

The Company is compliant with the provisions of Article (88) of the Companies Law, which requires the General Assembly of shareholders to convene at least once during the six months following the end of the Company's fiscal year, whereby the Company held its (Ordinary) General Assembly for the year on 16/11/1446H (corresponding to 14/05/2025G).

9-6-2 Continuous Obligations According to the Requirements of the Zakat, Tax and Customs Authority

The Company, like other establishments and companies registered and operating in the Kingdom, is obligated to submit its Zakat and tax returns within (120) days from the end of the financial year for the purpose of renewing the certificate issued by the Zakat, Tax and Customs Authority. The Company is registered as a taxpayer under Tax Identification Number (3002274598). The Company has submitted its Zakat return for the financial year ended in 2024G and obtained a Zakat Certificate from the Zakat, Tax and Customs Authority under No. (1116462347) dated 01/03/1447H (corresponding to 24/08/2025G), which expires on 13/11/1447H (corresponding to 30/04/2026G). This certificate enables the Company to complete all its transactions, including the settlement of its final entitlements under contracts.

The Company is compliant with the Value Added Tax (VAT) Law and its Implementing Regulations and is registered with the Zakat, Tax and Customs Authority under Tax Identification Number (300227459800003), pursuant to a certificate issued on 03/12/1438H (corresponding to 25/08/2017G).

Zakat and Tax Status of the Company:

- According to the financial statements for the financial year ended 31 December 2024G, Zakat differences amounting to (30,545,689) Saudi Riyals were identified for the years 2017G, 2018G, 2019G, and 2020G. The Parent Company has agreed with the General Secretariat of Tax Committees in relation to the objections and has entered into an agreement with the Authority to settle the outstanding amount in installments.
- The Company has submitted its Zakat returns and consolidated financial statements to the Zakat, Tax and Customs Authority up to the year 2024G.
- On 28/12/1445H (corresponding to 04/07/2024G), an agreement was reached with the Zakat, Tax and Customs Authority to reschedule the payment of the remaining Zakat liabilities amounting to (22,408,337.87) Saudi Riyals for the years 1439H to 1444H. The settlement is to be paid over a period of (36) months in equal monthly installments, with each installment amounting to (622,453) Saudi Riyals, effective from 29/01/1446H (corresponding to 04/08/2024G). Any delay in the payment of two consecutive installments shall obligate the Company to pay the remaining outstanding balance in full immediately.
- On 25/05/1446H (corresponding to 27/11/2024G), an agreement was reached with the Zakat, Tax and Customs Authority to reschedule the payment of the remaining Zakat liabilities amounting to (8,137,351.49) Saudi Riyals for the year 1441H. The settlement is to be paid over a period of (24) months in equal monthly installments, with each installment amounting to (339,056) Saudi Riyals, effective from 28/06/1446H (corresponding to 29/12/2024G). Any delay in the payment of two consecutive installments shall obligate the Company to pay the remaining outstanding balance in full immediately.

9-6-3 Continuous Obligations According to the Requirements of the Ministry of Human Resources and Social Development

- A file has been opened for the Company with the Ministry of Human Resources and Social Development (Labor Office) under unified number (9-106399) pursuant to the localization certificate. As at the date of this Prospectus, the Company benefits from the electronic services of the Ministry of Human Resources and Social Development, and a localization certificate has been issued indicating that the Company's localization rate under the developed Nitaqat program is (23%), and it falls within the low green zone. Pursuant to Certificate No. (169613-74496161) dated 09/09/1447H (corresponding to 26/02/2026G), which expires on 10/12/1447H (corresponding to 27/05/2026G).
- The Company has an internal work organization bylaw; however, it has not been approved by the Ministry of Human Resources and Social Development as at the date of preparation of this Prospectus.
- The Company is compliant with the Wage Protection System; however, as at the date of preparation of this Prospectus, the Company is not regular in uploading employees' wages, and it has not been able to issue a new compliance certificate. The last compliance certificate obtained was No. (207274-12451288) dated 20/05/1447H (corresponding to 11/11/2025G), which expired on 20/06/1447H (corresponding to 11/12/2025G).
- The Company is also compliant with the electronic documentation of its employees' employment contracts, and the compliance rate reached (87.5%) as at December 2025G, according to a report issued by the (Qiwa) platform.

9-6-4 Continuous Obligations According to the Requirements of the General Organization for Social Insurance

- A file has been opened for the Company with the General Organization for Social Insurance under subscription number (150013313). The Company is enrolled in the pensions branch and occupational hazards branch for Saudi subscribers, and for non-Saudis it is enrolled in the occupational hazards branch, pursuant to Social Insurance Certificate No. (104739695) dated 19/05/1447H (corresponding to 10/11/2025G).
- The value of contributions paid on behalf of the Company for the year 2024G amounted to (2,844,117.14) Saudi Riyals, according to the Company's statement.

9-6-5 Continuous Obligations According to the Requirements of the Capital Market Authority

- Listed companies are required by the Authority to comply with the Rules for Offering Securities and Continuing Obligations and the specific instructions issued by the Authority, in particular the obligation to periodically disclose material and financial developments and the Board of Directors' report.
- The annual financial results announced on the (Tadawul) website must be derived from the audited financial statements approved by the Company's external auditor appointed by the General Assembly and approved by the Board of Directors. The Company shall comply with the announcement templates set out in the special instructions for companies' announcements of their financial results. The Company shall also provide a statement of all reasons and factors for the change in the financial results for the current financial year compared with the comparative period, such that the reasons cover all items of the financial results announcement.
- The Authority has also required listed companies in the capital market to disclose the stages of their transition in accordance with the International Financial Reporting Standards (IFRS). On 02/06/1438H (corresponding to 01/03/2017G), the Company announced on Tadawul website that it is compliant and has commenced the application of this standard as from the beginning of 2017G. The Company's financial statements for the financial year ended 31/12/2023G and the financial year ended 31/12/2024G have been prepared in accordance with the International Standards adopted in the Kingdom of Saudi Arabia.
- The Authority has also required listed companies in the capital market to comply with the Instructions for the Announcements of Listed Joint Stock Companies issued pursuant to the Board of the Authority Resolution No. (1-199-2006) dated 18/07/1427H (corresponding to 12/08/2006G), as amended by Resolution No. (3-79-2023) dated 19/02/1445H (corresponding to 04/09/2023G).
- The Authority has required listed companies in the capital market to appoint representatives to the Capital Market Authority for all purposes related to the implementation of the Capital Market Authority Law and its implementing regulations. The Company is compliant in this regard, as the Board of Directors appointed on 10/01/1446H (corresponding to 16/07/2024G) Mr. Waiel Al Rashid (Chairman of the Board) and Mr. Ahmed Abdel Salam Al-Khattabi (Chief Financial Officer) as the Company's representatives before the Capital Market Authority.
- The Authority has also required listed companies to comply with the conditions set out in the Implementing Regulations of the Companies Law applicable to listed joint stock companies, issued by the Authority's Board pursuant to Resolution No. (8-127-2016) dated 16/01/1438H (corresponding to 17/10/2016G), based on the Companies Law issued by Royal Decree No. (M/3) dated 28/01/1437H, as amended by the Authority's Board Resolution No. (2-114-2024) dated 04/04/1446H (corresponding to 07/10/2024G), based on the Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443H, to disclose in the Board of Directors' report details of the policies relating to remuneration, the mechanisms for determining them, and the monetary and in-kind amounts and benefits paid to each member of the Board of Directors in return for any executive, technical, administrative, or advisory roles or positions. The Company has complied with disclosing the remuneration received by the members of the Board of Directors for the financial years 2022G, 2023G, and 2024G.
- The Authority has also required listed companies to comply with the "Procedures and Instructions for Listed Companies Whose Accumulated Losses Reached (20%) or More of Their Capital," issued by the Authority's Board pursuant to Resolution No. (4-48-2013) dated 15/01/1435H (corresponding to 18/11/2013G), based on the Capital Market Law issued by Royal Decree No. (M/30) dated 02/06/1424H (corresponding to 31/07/2003G), as amended by the Capital Market Authority Board Resolution No. (8-5-2023) dated 25/06/1444H (corresponding to 18/01/2023G). Pursuant to Article (5) of these Instructions, the Company shall

disclose to the public immediately and without delay, by way of a separate announcement, upon its accumulated losses reaching 50% or more of its capital, provided that such announcement includes the amount of accumulated losses, their percentage of capital, and the main reasons leading to such losses, with a reference in the announcement that these procedures and instructions will be applied thereto. In the event that the required disclosure under this paragraph coincides with the announcement of the interim or annual financial results, the Company shall be exempted from issuing a separate announcement if such disclosure is included in the interim or annual results announcement. Accordingly, the Company announced on 08/05/1447H (corresponding to 30/10/2025G) that its accumulated losses reached (63.97%) of its capital, based on the condensed interim financial statements for the period ended 30 September 2025G, and the reason for reaching this level of losses is attributed to a decrease in production volume and a decline in sales. The Company also confirmed its compliance with the "Procedures and Instructions for Listed Companies Whose Accumulated Losses Reached (20%) or More of Their Capital."

- The Authority requires listed companies to comply with Article (16) of the Corporate Governance Regulations, which requires that the majority of the Board members shall be non-executive members, and that the number of independent members shall not be less than two members or one-third of the Board members, whichever is greater. It has been found that the Company is compliant in this regard, as the number of independent members is five (5), which exceeds one-third of the Board members.
- The Company is compliant with Paragraph (e) of Article (66) of the Rules for Offering Securities and Continuing Obligations, which requires the issuer to appoint an auditor who is registered with the Authority in accordance with the Rules for Registering Auditors of Entities Subject to the Authority's Supervision.
- With regard to the Company's corporate governance, **paragraph (9.6.9) "The Company's Compliance with the Corporate Governance Regulations" of this section** sets out the extent of the Company's compliance with the Corporate Governance Regulations issued by the Capital Market Authority.

9-6-6 Continuous Obligations According to the Requirements of the Ministry of Industry and Mineral Resources:

- The Company's branch in Jeddah, "Al-Sorayai Carpet Factory Company," holds an industrial establishment license issued by the Ministry of Industry and Mineral Resources under No. (441110127534) dated 26/11/1444H (corresponding to 15/06/2023G), which is valid until 22/01/1450H (corresponding to 15/06/2028G), for the purpose of conducting the activity of manufacturing rugs and carpets.
- The Company's branch in Jeddah, "Jeddah Industrial Yarn Factory Company," holds an industrial establishment license issued by the Ministry of Industry and Mineral Resources under No. (1409100184291) dated 12/09/1409H (corresponding to 18/04/1989G), which is valid until 08/01/1451H (corresponding to 21/05/2028G), for the purpose of conducting the activity of preparing and spinning textile fibers.
- With regard to continuous obligations pursuant to the requirements of the Ministry of Industry and Mineral Resources, the Ministry requires licensed entities to comply with the following conditions in order to maintain the license:

  1. Compliance with the provisions of the Unified Industrial Organization Law (System) of the Gulf Cooperation Council States and its Implementing Regulations.
  2. No expansion or modification of products shall be carried out without obtaining the approval of the Ministry.
  3. The factory data shall be updated every six months through the Ministry's website.
  4. Compliance with product conformity to the approved standards and specifications or the standards adopted by the Saudi Standards, Metrology and Quality Organization.
  5. Compliance with the provisions of the General Environmental Law and its Implementing Regulations to protect the environment from pollution.
  6. Compliance with the laws, regulations, and instructions, as well as industrial safety, security, and public health regulations.
  7. The industrial project's accounts shall be properly maintained in accordance with accounting principles and applicable legal rules, and the Ministry shall be provided with the balance sheet certified by a chartered accountant for each financial year.

8. No abuse of the benefits granted to the project.
9. Providing the Ministry with all requested complete and accurate data relating to the project.
10. Allowing Ministry employees to enter the industrial project and review records, documents, and accounts, and to monitor production operations and other project activities.
11. An industrial project may not be established, expanded, developed, have its products modified, merged with another industrial project, divided into more than one project, or have its location changed. It is also not permitted to dispose of the project, in whole or in part, pledge it, lease it, or assign it by any form of assignment, except after obtaining the approval of the Ministry.

- The Company is compliant with the laws and instructions of the Ministry of Industry and Mineral Resources with regard to the issuance of industrial licenses.

9-6-7 Continuous Obligations According to the Requirements of the Saudi Authority for Industrial Cities and Technology Zones (MODON)

- The Company and a number of its branches have entered into several lease agreements with MODON and have obtained the relevant operating licenses for these contracts. As at the date of this Prospectus, the operating licenses are no longer valid as follows:
  - Operating License No. (5871444714030548) issued on 14/07/1444H (corresponding to 05/02/2023G) and expired on 24/07/1445H (corresponding to 05/02/2024G).
  - Operating License No. (OLC-23-09-18003367) issued on 03/03/1445H (corresponding to 18/09/2023G) and expired on 15/03/1446H (corresponding to 18/09/2024G).

The failure to renew operating licenses constitutes a violation of the regulations, bylaws, conditions, and instructions issued by MODON, which may expose the subsidiary to financial penalties or other sanctions, and may also affect the validity of lease agreements.

MODON, as the licensing authority, imposes a number of ongoing obligations in order to maintain valid licenses, which include:

- The license grants permission to operate the facility, and the licensee operating this facility is the actual operator thereof under its legal entity, licenses, and registrations. The facility owner is not entitled to assign the operation and the license, or any part thereof, to any third party.
- The licensee shall comply with the terms and obligations, as well as all laws, regulations, conditions, and instructions issued by "MODON". Reference shall be made to the applicable laws and regulations in force in the Kingdom of Saudi Arabia in respect of matters not regulated by "MODON".
- The licensee shall renew this license within a period not exceeding 15 days after its expiry.
- Contracting with an entity approved by the Civil Defense to carry out periodic maintenance works for fire-fighting and safety systems.
- Ensuring the effectiveness of the fire-fighting/safety system and its connection to a main control panel.
- Compliance of the fire-fighting system with the approved factory drawings.
- Ensuring that emergency exits are sufficient and compliant with the applicable specifications.
- Compliance with safety requirements during the storage and transportation of chemicals and hazardous gases.

The Company has been subject to a number of violations by the Saudi Authority for Industrial Cities and Technology Zones (MODON), as follows:

- On 02/11/2025G, the Saudi Authority for Industrial Cities and Technology Zones (MODON) issued Violation No. (Vio-007303-02-11-25) in the amount of (2,000) Saudi Riyals due to the absence of a valid operating license. (Contract No. 806662).
- On 02/11/2025G, the Saudi Authority for Industrial Cities and Technology Zones (MODON) issued Violation No. (Vio-007304-02-11-25) in the amount of (2,000) Saudi Riyals due to the absence of a valid operating license. (Contract No. 30680).
- On 27/08/2025G, the Saudi Authority for Industrial Cities and Technology Zones (MODON) issued Violation No. (Vio-006096-27-08-25) in the amount of (2,000) Saudi Riyals due to the absence of a valid operating license. (Contract No. 811482).

9-6-8 Continuous Obligations According to the Requirements of the National Center for Environmental Compliance

- The Company's branches have obtained a number of environmental operating permits issued by the National Center for Environmental Compliance Monitoring. As at the date of this Prospectus, such permits are no longer valid as follows:
  - Environmental Operating Permit No. (EPC2-2024-006313)
  - Environmental Operating Permit No. (EPC2-2024-006434)

The failure to renew environmental operating permits results in considering the Company's subsidiary factories as committing a violation by conducting activities without a valid environmental operating permit, which may expose them to financial penalties in accordance with the Implementing Regulation for Environmental Permits for the Establishment and Operation of Activities.

With regard to ongoing obligations, the Center requires licensed entities to comply with the following conditions in order to maintain the license:

- Compliance with the standards, criteria, and requirements issued by the National Center for Environmental Compliance Monitoring.
- Allowing technicians and specialists to enter the facility at any time.
- In the event of any modification or change to the activity and functions of the facility, the type of raw materials or production, or in the case of any expansion or addition to the project without prior notification to the Center, the environmental operating permit shall be deemed invalid.
- The Center must be notified in advance when there is a desire to use or recover any industrial waste within manufacturing processes, and the Authority's specialists must be informed of the technology and method used in this regard.
- Full compliance with the studies and technical reports submitted when applying for the permit with respect to the operation and maintenance of pollutant control systems, and with the methods used for the disposal of non-recoverable waste by an entity qualified by the competent authorities in the field of disposal of industrial and hazardous waste.
- Compliance with submitting the environmental audit study for the facility and providing it to the Center's specialists during inspection visits or upon requesting renewal of the environmental permit.
- Preparation of self-reports every 6 months to be included in the environmental records.
- Prohibition on commencing operations until filters have been installed by a supplier approved by the Center.
- Compliance with including in the contracts and certified invoices the types and quantities of hazardous solid and liquid waste generated by the facility for the period preceding renewal, from entities qualified by the competent authorities, and incorporating them into the environmental audit study.
- Compliance with the implementation of the environmental monitoring and environmental management plan for the facility, and with the recommendations set out in the study and its annexes.
- Compliance with allocating warehouses and storage facilities for raw materials and finished products that are suitable for the nature of the materials, their specifications, and their level of hazard, in accordance with the Safety Data Sheet.

With regard to the Company's corporate governance, the table below provides a summary of the Company's compliance with the Corporate Governance Regulations issued by the Board of the Capital Market Authority:

9-6-9 The Company's Compliance with the Corporate Governance Regulations

Table (97): The Company's Compliance with the Corporate Governance Regulations

Articles of the Corporate Governance Regulations	Details	Responsible Authority	Comment
4/c	Shareholders' Rights Policy	Board of Directors	Compliant – The Company has a policy that was approved by the Board of Directors on 25/06/1447H (corresponding to 16/12/2025G).
8/a	Providing a copy of information about candidates for membership of the Board of Directors at the head office and on the Company's website.	Board of Directors	Compliant.
9/b	The Board of Directors shall establish a clear dividend distribution policy that achieves the interests of both the shareholders and the Company, in accordance with the Company's Articles of Association.	Board of Directors	Compliant – The Company has a dividend distribution policy.
12/5	Reviewing and discussing the financial statements for the year 2024G.	General Assembly of Shareholders	The financial statements for the fiscal year ended 31 December 2024G were reviewed and discussed during the (Ordinary) General Assembly meeting of shareholders, scheduled to be held on 16/11/1446H (corresponding to 14/05/2025G).
12/6	Reviewing and discussing the Board of Directors' annual report for the year 2024G.	General Assembly of Shareholders	The Board of Directors' report for the fiscal year ended 31/12/2024G was reviewed and discussed during the (Ordinary) General Assembly meeting of shareholders, scheduled to be held on 16/11/1446H (corresponding to 14/05/2025G).
12/8 and 78	Appointing the Company's auditors, determining their fees, reappointing and removing them, discussing their report, and making decisions thereon.	General Assembly of Shareholders	Compliant – It was approved by the Ordinary General Assembly held on 16/11/1446H (corresponding to 14/05/2025G) to appoint El-Sayed El-Ayouty & Co. Certified Public Accountants as the Company's auditor to review, examine, and audit the financial statements for the second and third quarters and the annual financial statements for the fiscal year ended 31 December 2025G, as well as the first quarter of the fiscal year ending 31 December 2026G, and to determine their fees.
13/d	Publishing the announcement of the date of the General Assembly meeting, its location, and agenda at least twenty-one (21) days prior to the meeting date on the website of the stock market and the Company's website.	Board of Directors	Compliant – through Tadawul website.

Articles of the Corporate Governance Regulations	Details	Responsible Authority	Comment
14/c	Providing shareholders, through the Company's website – and the stock market website upon publishing the invitation to convene the General Assembly – with access to information related to the items of the General Assembly agenda, in particular the Board of Directors' report, the auditor's report, the financial statements, and the Audit Committee's report.	Board of Directors	Compliant – through Tadawul website.
21/1	Establishing the Company's plans, policies, strategies, and main objectives.	Board of Directors	Compliant – in accordance with the Corporate Governance Regulations.
21/2	Establishing internal control systems and procedures and providing general oversight thereof, including: establishing a written policy to address actual and potential cases of "conflicts of interest" for members of the Board of Directors, executive management, and shareholders, including the misuse of the Company's assets and facilities, and misconduct arising from transactions with related parties; ensuring the integrity of financial and accounting systems, including those related to the preparation of financial reports; ensuring the implementation of appropriate control systems for measuring and managing risks, by developing a general framework of the risks that the Company may face, and establishing an environment that promotes a risk management culture at the Company level and disclosing it transparently to stakeholders and related parties; and conducting an annual review of the effectiveness of the Company's internal control procedures.	Board of Directors	Compliant – The Company has a Conflict of Interest Policy approved by the Board of Directors on 08/04/1439H (corresponding to 26/12/2017G).
21/3	Establishing clear and specific policies, standards, and procedures for membership in the Board of Directors, and implementing them after their approval by the General Assembly.	General Assembly of Shareholders	Compliant – The Company has policies, standards, and procedures for membership in the Board of Directors, which were approved by the General Assembly of shareholders on 13/09/1444H (corresponding to 03/05/2023G).
21/4	Establishing a written policy governing the relationship with stakeholders in accordance with the provisions of the Corporate Governance Regulations, which shall in particular cover the following: mechanisms for compensating stakeholders in the event of a violation of their rights as recognized by laws and protected by contracts; mechanisms for resolving complaints or disputes that may arise between the Company and stakeholders; and appropriate mechanisms for maintaining good relationships with customers and suppliers and preserving the confidentiality of their related information.	Board of Directors	Compliant – The Company has a policy governing the relationship with stakeholders, which was approved by the Board of Directors on 25/06/1447H (corresponding to 16/12/2025G).

Articles of the Corporate Governance Regulations	Details	Responsible Authority	Comment
21/5	Establishing policies and procedures that ensure the Company's compliance with laws and regulations and its commitment to disclosing material information to shareholders and stakeholders, and verifying the compliance of the executive management therewith.	Board of Directors	Compliant – The Company has a policy governing the relationship with stakeholders, which was approved by the Board of Directors on 08/04/1439H (corresponding to 26/12/2017G).
21/13 and 47 and 57 and 57/a and 61	Establishing specialized committees emanating from the Board of Directors by resolutions specifying the committee's term, authorities, and responsibilities, as well as the manner in which the Board supervises them. The resolution establishing the committee shall include the nomination of members and the definition of their duties, rights, and obligations, together with the evaluation of the performance and work of such committees and their members.	Board of Directors	Compliant – The Audit Committee has been formed.
22/1	Adopting the Company's internal policies and their development, including defining the duties, authorities, and responsibilities assigned to the various organizational levels.	Board of Directors	Compliant – in accordance with the Governance Regulations.
21/2	Adopting a written and detailed policy defining the delegated authorities granted to the executive management, together with a schedule specifying such authorities, the manner of execution, and the duration of the delegation. The Board of Directors may request the executive management to submit periodic reports on its exercise of the delegated authorities.	Board of Directors	Compliant – The Company has an approved Delegation of Authority Manual, which was approved by the Board of Directors on 21/03/1446H (corresponding to 24/09/2024G).
24	Appointing the Chief Executive Officer.	Board of Directors	Compliant – Mr. / Monther Mohammed Abdullah Al Sorayai was appointed pursuant to a Board of Directors resolution dated 13/04/1443H (corresponding to 18/11/2021G).
25/5	Proposing the Company's organizational and functional structures and submitting them to the Board of Directors for consideration and approval.	Board of Directors	Compliant.
25/10	Proposing the policy and types of remuneration granted to employees, such as fixed remuneration, performance-based remuneration, and share-based remuneration.	Board of Directors	Compliant – in accordance with the Governance Regulations.
34/c	Board of Directors' Procedures Policy.	Board of Directors	Compliant – The Company has a policy that was approved by the Board of Directors on 25/06/1447H (corresponding to 16/12/2025G).

Articles of the Corporate Governance Regulations	Details	Responsible Authority	Comment
41	A clear and written policy for dealing with actual or potential conflicts of interest that may affect the performance of members of the Board of Directors, executive management, or other employees of the Company when dealing with the Company or other stakeholders.	Board of Directors	Compliant – The Company has a conflict of interest policy that was approved by the Board of Directors on 25/06/1447H (corresponding to 16/12/2025G).
51/e	The Company's General Assembly shall, based on a recommendation from the Board of Directors, issue the Audit Committee Charter, provided that such charter includes the committee's rules and procedures, its duties, the criteria for selecting its members, the nomination process, the term of membership, their remuneration, and the mechanism for temporarily appointing members in the event of a vacancy in any committee seat.	General Assembly of Shareholders	Compliant – The Audit Committee Charter was approved by the (Ordinary) General Assembly held on 13/09/1444H (corresponding to 03/05/2023G).
51 and 54	Formation of the Audit Committee.	Board of Directors	Compliant – The Audit Committee was appointed by the Board of Directors in its meeting held on 10/01/1446H (corresponding to 16/07/2024G).
52/b/4 and 71	Appointing the head of the Internal Audit Unit or Department or the internal auditor, and proposing his remuneration.	Board of Directors	Compliant - Mr./ Hatem Mohamed Elsayed was appointed as the Head of the Internal Audit Unit.
57/b and 61/b	The Company's General Assembly shall, based on a recommendation from the Board of Directors, issue the Remuneration and Nominations Committee Charter, provided that such charter includes the committee's rules and procedures, its duties, the criteria for selecting its members, the term of membership, and their remuneration.	General Assembly of Shareholders	Compliant – The Remuneration and Nominations Committee Charter was approved by the Extraordinary General Assembly on 18/10/1442H (corresponding to 30/05/2021G).
58/1	The Remuneration and Nominations Committee shall prepare a clear policy for the remuneration of members of the Board of Directors, committees emanating from the Board, and executive management, and submit it to the Board of Directors for consideration in preparation for its approval by the General Assembly, provided that such policy takes into account performance-related standards, disclosure requirements, and verification of its implementation.	General Assembly of Shareholders	Compliant – The remuneration policy for members of the Board of Directors, the committees emanating therefrom, and senior executives was approved by the General Assembly of Shareholders held on 10/10/1443H (corresponding to 11/05/2022G).
62/3	Preparing a description of the required capabilities and qualifications for membership of the Board of Directors and for occupying executive management positions.	Remuneration and Nominations Committee	Compliant – The policies, standards, and procedures for membership in the Board of Directors were approved by the General Assembly on 13/09/1444H (corresponding to 03/05/2023G).
65	Publishing the announcement of nomination for membership of the Board of Directors on the Company's website and the stock market website.	Board of Directors	Compliant.

Articles of the Corporate Governance Regulations	Details	Responsible Authority	Comment
81	Policies or procedures followed by stakeholders for submitting their complaints or reporting violations.	Board of Directors	Compliant – The Company has a policy and procedures for handling shareholders' complaints that were approved on 08/04/1439H (corresponding to 26/12/2017G).
83	Code of Professional Conduct and Ethical Values Policy.	Board of Directors	Compliant – The Company has a Code of Ethics and Business Conduct that was approved on 25/06/1447H (corresponding to 16/12/2025G).
86	Written disclosure policies, procedures, and supervisory systems in accordance with the disclosure requirements set out in the Companies Law and the Capital Market Law.	Board of Directors	Compliant – The Company has a disclosure, transparency, and regulatory compliance policy that was approved by the Board of Directors on 08/04/1439H (corresponding to 26/12/2017G).
88/b	Publishing the Audit Committee's report on the Company's website.	Board of Directors	Compliant – The Committee's report was attached to the invitation to convene the annual General Assembly through the Company's page on Tadawul website, scheduled to be held on 13/11/1446H (corresponding to 11/05/2025G).
91	Company-specific governance rules that do not conflict with the mandatory provisions of the Corporate Governance Regulations issued by the Authority.	Board of Directors	Compliant – The Company's Corporate Governance Regulations were approved by the Board of Directors on 06/09/1444H (corresponding to 28/03/2023G).

Source: The Company

9-6-10 Continuous Obligations According to the Requirements of the Ministry of Municipalities and Housing

- A municipal license must be obtained for the administrative offices, branch, and sales points in order for the Company to operate them.
- The Company has a total of (12) leased sites (with private parties) for the purpose of conducting its activities, including warehouses, offices, and shops **(for further details, please refer to Sub-Paragraph No. (9.7) "Summary of Material Contracts" of this Section).**
- Municipal licenses and safety certificates have been obtained for the Company's sites **(for further details, please refer to Sub-Paragraph No. (9.5.3) "Key Licenses, Certificates, and Approvals Related to the Branch" of this Section).**
- Except for the licenses indicated in this Prospectus as expired or not issued, the Company is compliant with the requirements and regulations of the Ministry of Municipalities and Housing **(for further details, please refer to Sub-Paragraph No. (9.6.10) "Continuous Obligations According to the Requirements of the Ministry of Municipalities and Housing" of this Section).**

9-7 Summary of Material Contracts

9-7-1 Memoranda of Understanding and Partnership Agreements

- There are no memoranda of understanding regarding any potential future partnership with third parties.

9-7-2 Agreements and Transactions with Related Parties

In accordance with the financial statements, transactions have been conducted during the past three years and up to the date of preparation of this Prospectus with related parties in the ordinary course of the Company's business and with management approval. The Company's Board of Directors believes that the terms of these transactions do not materially differ from any other transactions conducted by the Company with any third party.

- The tables below show the key transactions with related parties that were conducted during the years 2022G, 2023G, and 2024G, and the period ended 30 September 2025G:

Table (98): Transactions with Related Parties for 2022G.

Related Party	Nature of the relationship	Nature of the interest (direct or indirect)	Nature of transactions	Balance as of 2022G (Thousand Saudi Riyals)
Due to related parties				
Saudi Carpet Supplies Manufacturing Company Limited (Matex)	Affiliated Company	Indirect relationship (Nasser Al-Sorayai) Direct relationship (Monther Al-Sorayai)	Supply of raw materials (internal and external carpet lining)	4,701
Al-Hikma International Real Estate Development Company	Affiliated Company	Indirect relationship (Nasser Al-Sorayai)	Exhibition, warehouse and office lease agreements	201
Al-Sorayai Group for Industrial Investment	Affiliated Company	Direct relationship (Nasser Al-Sorayai) Direct relationship (Monther Al-Sorayai)	Supplying raw materials to factories: glue, cardboard, chemicals, and finished goods (foam, felt)	647
Sanasco Investment Holding Group Company	Affiliated Company	Direct relationship (Saleh Al-Sorayai)	Warehouse rentals	746
Total				**6,295**

Source: The Company

Table (99): Transactions with Related Parties for 2023G.

Related Party	Nature of the relationship	Nature of the interest (direct or indirect)	Nature of transactions	Balance as of 2023G (Thousand Saudi Riyals)
Due from a related party				
Al-Sorayai Group for Industrial Investment	Affiliated Company	Direct relationship (Nasser Al-Sorayai) Direct relationship (Monther Al-Sorayai)	Supplying raw materials to factories: glue, cardboard, chemicals, and finished goods (foam, felt)	176
Due to related parties				
Saudi Carpet Supplies Manufacturing Company Limited (Matex)	Affiliated Company	Indirect relationship (Nasser Al-Sorayai) Direct relationship (Monther Al-Sorayai)	Supply of raw materials (internal and external carpet lining)	6,570
Al-Hikma International Real Estate Development Company	Affiliated Company	Indirect relationship (Nasser Al-Sorayai)	Exhibition, warehouse and office lease agreements	259
Sanasco Investment Holding Group Company	Affiliated Company	Direct relationship (Saleh Al-Sorayai)	Warehouse rentals	746
Total				**7,575**

Source: The Company

Table (100): Transactions with Related Parties for 2024G

Related Party	Nature of the relationship	Nature of the interest (direct or indirect)	Nature of transactions	Balance as of 2024G (Thousand Saudi Riyals)
Due to related parties				
Saudi Carpet Supplies Manufacturing Company Limited (Matex)	Affiliated Company	Indirect relationship (Nasser Al-Sorayai) Direct relationship (Monther Al-Sorayai)	Supply of raw materials (internal and external carpet lining)	5,808
Total				**5,808**

Source: The Company

Table (101): Transactions with Related Parties for the period ended 30 September 2025G

Related Party	Nature of the relationship	Nature of the interest (direct or indirect)	Nature of transactions	Balance as of September 30, 2025G (Thousand Saudi Riyals)
Due to related parties				
Saudi Carpet Supplies Manufacturing Company Limited (Matex)	Affiliated Company	Indirect relationship (Nasser Al-Sorayai) Direct relationship (Monther Al-Sorayai)	Supply of raw materials (internal and external carpet lining)	4,161
Total				**4,161**

Source: The Company

The Company, its Board of Directors, and the shareholders are committed to the implementation of Articles (71) and (27) of the Companies Law.

- On 14/11/1445H (corresponding to 22/05/2024G), the (Ordinary) General Assembly of Shareholders approved the works and contracts to be executed between the Company and Al-Sorayai Group for Industrial Investment Company Limited, in which the Board member, Mr. Nasser Saleh Nasser Al-Sorayai, has a direct interest. Such transactions relate to the purchase and supply of raw materials to factories. It is noted that the transactions for the previous year 2023G amounted to 541,371 Saudi Riyals.
- On 14/11/1445H (corresponding to 22/05/2024G), the (Ordinary) General Assembly of Shareholders approved the works and contracts to be executed between the Company and Saudi Carpet Supplies Manufacturing Company Limited (Matex), in which the Board member, Mr. Nasser Saleh Nasser Al-Sorayai, has an indirect interest. Such transactions relate to the purchase and supply of raw materials to factories. It is noted that the transactions for the previous year 2023G amounted to 18,237,848 Saudi Riyals.
- On 14/11/1445H (corresponding to 22/05/2024G), the (Ordinary) General Assembly of Shareholders approved the works and contracts to be executed between the Company and Al-Hikma Real Estate Development Company, in which the Board member, Mr. Nasser Saleh Nasser Al-Sorayai, has an indirect interest. Such transactions relate to lease contracts for showrooms, warehouses, and offices owned by Al-Hikma. It is noted that the transactions for the previous year 2023G amounted to 460,000 Saudi Riyals.
- On 13/10/1444H (corresponding to 03/05/2023G), the (Ordinary) General Assembly of Shareholders approved the works and contracts to be executed between the Company and Al-Sorayai Group for Industrial Investment Company Limited, in which the (non-executive) Board member, Mr. Nasser Saleh Nasser Al-Sorayai, has a direct interest (related party). Such transactions relate to the purchase and supply of raw materials to factories. It is noted that the transactions for the previous year 2022G amounted to (4,348.003) Saudi Riyals. (There are no preferential terms in the contracts.)
- On 13/10/1444H (corresponding to 03/05/2023G), the (Ordinary) General Assembly of Shareholders approved the works and contracts to be executed between the Company and Saudi Carpet Supplies Manufacturing Company Limited (Matex), in which the (non-executive) Board member, Mr. Nasser Saleh Nasser Al-Sorayai, has a direct interest (related party). Such transactions relate to the purchase and supply of raw materials to factories. It is noted that the transactions for the previous year 2022G amounted to (17,729,497) Saudi Riyals. (There are no preferential terms in the contracts.)

- On 13/10/1444H (corresponding to 03/05/2023G), the (Ordinary) General Assembly of Shareholders approved the works and contracts to be executed between the Company and Al-Hikma Real Estate Development Company, in which the (non-executive) Board member, Mr. Nasser Saleh Nasser Al-Sorayai, has a direct interest (related party). Such transactions relate to lease contracts for showrooms, warehouses, and offices owned by Al-Hikma Company. It is noted that the transactions for the previous year 2022G amounted to (402,500) Saudi Riyals. (There are no preferential terms in the contracts.)

9-7-3 Lease Contracts

The Group has entered into (10) lease contracts with private parties relating to commercial offices, shops, apartments, and sites operated by the Company. These contracts include common terms with respect to determining the rental value, payment method, and lease term. The following is a summary thereof:

Table (102): Lease Contracts

No.	Contract Date	Lessor	Type of Leased Asset	Address	Lease Term	Renewal	Rental Value	Contract Status
1	02/11/1443H (corresponding to 01/06/2022G)	Lessor 1	Building – Commercial – Shop Floor (1) – Unit (03)	Khamis Mushait, Asir 6677,0000,00000	(1460) days starting from 01/10/1443H (corresponding to 02/05/2022G) and ending on 14/11/1447H (corresponding to 01/05/2026G)	If both parties wish to renew, a new written contract shall be concluded upon mutual agreement between the parties.	(920,000) Saudi Riyal	Electronically authenticated contract No. 20175628415/2-0
2	20/10/1442H (corresponding to 01/06/2021G)	Lessor 2	Building – Commercial – Warehouse Floor (0) – Unit (1)	Warehouse Plan, 00000, Taif, 0000, Makkah Al-Mukarramah Region	(1825) days starting from 01/11/1442H (corresponding to 11/06/2021G) and ending on 24/12/1447H (corresponding to 10/06/2026G)	If both parties wish to renew, a new written contract shall be concluded upon mutual agreement between the parties.	(1,000,000) Saudi Riyal	Electronically authenticated contract No. 300002801174/1-0
3	28/03/1447H (corresponding to 20/09/2025G)	Lessor 3	Other – Residential-Commercial – Apartment Floor (1) – Unit (4)	Dammam, 32245, 4102, 7689	(364) days starting from 11/07/1446H (corresponding to 11/01/2025G) and ending on 21/07/1447H (corresponding to 10/01/2026G)	If both parties wish to renew, it shall be done through the network.	(13,000) Saudi Riyal	Electronically authenticated contract No. 10934924854/1-0*
4	-	Lessor 4	Other – Warehouse – Residential-Commercial – Apartment Floor (0) – Unit (Naseej Company Workers› Accommodation, Al-Sharafiyah, Taif)	7370, 4444, 26564	(364) days starting from 12/07/1447H (corresponding to 01/01/2026G) and ending on 22/07/1448H (corresponding to 31/12/2026G)	The lease term shall be automatically renewed for an equivalent period upon fulfilling the network renewal requirements, unless either party notifies the other party through the network of its intention not to renew the contract at least (60) days prior to the lease term expiry date. The contract shall be considered terminated upon the expiry of its term.	(16,800) Saudi Riyal	Electronically authenticated contract No. 10313277464/3-0

No.	Contract Date	Lessor	Type of Leased Asset	Address	Lease Term	Renewal	Rental Value	Contract Status
5	28/06/1443H (corresponding to 31/01/2022G)	Lessor 5	Open Commercial Complex (Plaza) – Residential-Commercial – Shop Floor (1) – Unit (7)	Jeddah, Makkah Al-Mukarramah Region 7696,3356,23443	(1825) days starting from 28/05/1443H (corresponding to 01/01/2022G) and ending on 22/07/1448H (corresponding to 31/12/2026G)	If both parties wish to renew, a new written contract shall be concluded upon mutual agreement between the parties.	(2,300,000) Saudi Riyal	Electronically authenticated contract No. 20080523455/2-0
6	25/03/1447H (corresponding to 17/09/2025G)	Lessor 6	Other – Warehouse – Commercial – Warehouse Floor (1) – Unit (Warehouse No. 4C)	3194, Zuhair bin Abi Sulma, 8939, Al Faisaliyah, 32275, Dammam	(364) days starting from 12/07/1447H (corresponding to 01/01/2026G) and ending on 22/07/1448H (corresponding to 31/12/2026G)	If both parties wish to renew, a new written contract shall be concluded upon mutual agreement between the parties. The lease term shall be automatically renewed for an equivalent period upon fulfilling the network renewal requirements, unless either party notifies the other party through the network of its intention not to renew the contract at least (60) days prior to the lease term expiry date. The contract shall be considered terminated upon the expiry of its term.	(373,750) Saudi Riyal	Electronically authenticated contract No. 20197168556/1-0
7	10/05/1443H (corresponding to 14/12/2021G)	Lessor 7	Commercial – Open Commercial Complex (Plaza) – Warehouse Floor (0) – Unit (31/29/27)	Meter, 00000 Khamis Mushait, Asir 30, 0001	(1825) days starting from 26/04/1443H (corresponding to 01/12/2021G) and ending on 20/06/1448H (corresponding to 30/11/2026G)	If both parties wish to renew, a new written contract shall be concluded upon mutual agreement between the parties.	(1,800,000) Saudi Riyal	Electronically authenticated contract No. 20681133118/1-0
8	12/06/1445H (corresponding to 25/12/2023G)	Lessor 8	Other, Aswaq Al-Ghad 440 – Commercial – Shop Floor (1) – Unit (1)	Industry, 52359, 2855, 7926	(1095) days starting from 11/05/1445H (corresponding to 25/11/2023G) and ending on 14/06/1448H (corresponding to 24/11/2026G)	If both parties wish to renew, a new written contract shall be concluded upon mutual agreement between the parties.	(198,375) Saudi Riyal	Electronically authenticated contract No. 20412194716/1-0
9	28/07/1444H (corresponding to 19/02/2023G)	Lessor 9	Building – Commercial – Shop Floor (1) – Unit (1)	Al Marqab 15, 52359, 2936, 7990	(1825) days starting from 22/05/1444H (corresponding to 16/12/2022G) and ending on 17/07/1449H (corresponding to 15/12/2027G)	If both parties wish to renew, a new written contract shall be concluded upon mutual agreement between the parties.	(609,500) Saudi Riyal	Electronically authenticated contract No. 20736248990/1-0

No.	Contract Date	Lessor	Type of Leased Asset	Address	Lease Term	Renewal	Rental Value	Contract Status
10	22/01/1447H (corresponding to 17/07/2025G)	Lessor 10	Other, Warehouse – Commercial – Warehouse Floor (1) – Unit (7)	Abdullah Al-Adawi, 14265, 8006, 3360	(729) days starting from 25/01/1447H (corresponding to 20/07/2025G) and ending on 15/02/1449H (corresponding to 19/07/2027G)	If both parties wish to renew, a new written contract shall be concluded upon mutual agreement between the parties.	(782,000) Saudi Riyal	Electronically authenticated contract No. 20638006910/1-0

Source: The Company

*Under renewal process

Table (103): Industrial Land Lease Contract

Industrial Land Lease Contract	Saudi Authority for Industrial Cities and Technology Zones (First Party) "MODON"	Jeddah Industrial Yarn Factory Company (Second Party) "The Lessee"
Contract Type	Industrial	
Contract Scope	Jeddah First – Kingdom of Saudi Arabia	
Contract Number	30885	
Contract Date	07/06/1427H (corresponding to 03/07/2006G)	
Contract Subject	Industrial Land Lease Contract The First Party leases industrial land, plot No. 0030M00112, with an area of (1,125 m²), to the Second Party (the Lessee).	
Contract Term	The term of this contract is (25) Hijri years, starting from 07/06/1427H (corresponding to 03/07/2006G) and ending on 06/06/1452H (corresponding to 04/10/2030G).	
Contract Value	The Lessee undertakes to pay an annual amount of (5,625) Saudi Riyals.	
Notes	No operating license.	
Authentication	Through the E-MODON platform.	

Source: The Company

Table (104): Industrial Land Lease Contract

Industrial Land Lease Contract	Saudi Authority for Industrial Cities and Technology Zones (First Party) "MODON"	Jeddah Industrial Yarn Factory Company (Second Party) "The Lessee"
Contract Type	Industrial	
Contract Scope	Jeddah First – Kingdom of Saudi Arabia	
Contract Number	811482	
Contract Date	23/10/1441H (corresponding to 15/06/2020G)	
Contract Subject	Industrial Land Lease Contract The First Party leases industrial land, plot No. 0030M0087, with an area of (16,941 m²), to the Second Party (the Lessee).	
Contract Term	The term of this contract is (20) Hijri years, starting from 23/10/1441H (corresponding to 15/06/2020G) and ending on 22/10/1461H (corresponding to 09/11/2039G).	
Contract Value	The Lessee undertakes to pay an annual amount of (84,705) Saudi Riyals.	
Notes	There is an operating license No. (OLC-23-09-18003367) issued on 03/03/1445H (corresponding to 18/09/2023G), valid until 15/03/1446H (corresponding to 18/09/2024G).	
Authentication	Through the E-MODON platform.	

Source: The Company

Table (105): Industrial Land Lease Contract

Industrial Land Lease Contract	Saudi Authority for Industrial Cities and Technology Zones (First Party) "MODON"	Jeddah Industrial Yarn Factory Company (Second Party) "The Lessee"
Contract Type	Industrial	
Contract Scope	Jeddah First – Kingdom of Saudi Arabia	
Contract Number	804944	
Contract Date	10/06/1435H (corresponding to 10/04/2014G)	
Contract Subject	Industrial Land Lease Contract The First Party leases industrial land, plot No. 0030C00107, with an area of (38,422 m²), to the Second Party (the Lessee).	
Contract Term	The term of this contract is (16) Hijri years, starting from 10/06/1435H (corresponding to 10/04/2014G) and ending on 09/06/1451H (corresponding to 17/10/2029G).	
Contract Value	The Lessee undertakes to pay an annual amount of (192,110) Saudi Riyals.	
Notes	No operating license.	
Authentication	Through the E-MODON platform.	

Source: The Company

Table (106): Industrial Land Lease Contract

Industrial Land Lease Contract	Saudi Authority for Industrial Cities and Technology Zones (First Party) "MODON"	Jeddah Industrial Yarn Factory Company (Second Party) "The Lessee"
Contract Type	Industrial	
Contract Scope	Jeddah First – Kingdom of Saudi Arabia	
Contract Number	30994	
Contract Date	26/07/1427H (corresponding to 20/08/2006G)	
Contract Subject	Industrial Land Lease Contract The first party leases an industrial land adjacent to plot number M5(1) with an area of (3,720 m^2) to the second party (the lessee).	
Contract Term	The term of this contract is (25) Hijri years starting from 26/07/1427H (corresponding to 20/08/2006G) and ending on 25/07/1452H (corresponding to 21/11/2030G).	
Contract value	The lessee undertakes to pay an amount of (74.4) Saudi Riyals annually.	
Terms of termination or cancellation of contract	-	
Key substantive obligations of the first party	Adjacent to plot number (1) M5 within the master plan, with an area of 3,720 m^2 It also seeks, in coordination with relevant authorities, to deliver services to the boundaries of the industrial city such as water, electricity, etc.	
Key substantive obligations of the second party	The lessee undertakes to pay the financial obligations, to use the land in accordance with the issued permit, and to comply with the conditions and regulations of industrial cities and construction requirements. The lessee shall establish the factory licensed under Ministerial Decision No. 1699/S and commence implementation within 3 months from the approval of the first party of the plans, and shall be obligated to vacate the land and return it to the first party if construction does not commence within 6 months from the date of a cessation notice. In addition, the lessee shall submit periodic reports to the first party as proof of compliance with the plans.	
Waivers	-	
Applicable law	This agreement is subject to all applicable laws, regulations, decisions, and circulars in force in the Kingdom of Saudi Arabia.	
Dispute resolution	In the event of any dispute regarding the implementation of the provisions of this agreement, and if it cannot be resolved amicably between the two parties, the Board of Grievances in the Kingdom of Saudi Arabia shall be the competent judicial authority, and its decision shall be final and binding.	
Notes	No operating license.	
Documentation	Through the E-MODON platform.	

Source: The Company

Table (107): Industrial Land Lease Contract

Industrial Land Lease Contract	Saudi Authority for Industrial Cities and Technology Zones (First Party) "MODON"	Al-Sorayai Carpet Factory Limited (Second Party) "The Lessee"
Contract Type	Industrial	
Contract Scope	Jeddah First – Kingdom of Saudi Arabia	
Contract number	809374	
Contract date	14/08/1439H (corresponding to 30/04/2018G)	
Contract Subject	Industrial Land Lease Contract The first party leases industrial land plot number 0030C00069 with an area of (499 m^2) to the second party (the lessee).	
Contract term	The term of this contract is (20) Hijri years commencing on 14/08/1439H (corresponding to 30/04/2018G) and ending on 13/08/1459H (corresponding to 23/09/2037G).	
Contract value	The lessee undertakes to pay an amount of (2,495) Saudi Riyals annually.	
Terms of termination or cancellation of contract	◆ Except for force majeure events beyond the control of both parties, this contract shall be automatically deemed null and terminated in the following cases: 1. The cases stipulated in Articles Four, Five, Nine, Ten, Twelve, Fourteen, and Sixteen of this contract. 2. If the lessee delays, defaults, or fails to pay the financial obligations such as the rent value or penalty after the expiry of the second fifteen-day grace period stated in Article Fourteen of the contract. 3. If MODON deems that the application of the penalty clause specified in Article Twelve is no longer effective and decides to terminate the contract. 4. If the lessee fails to comply with the environmental requirements after being notified, or causes pollution or damage to the infrastructure, and MODON decides to terminate the contract. 5. If the two parties do not agree to renew it. 6. If the lessee goes bankrupt, or a court order is issued placing his assets under receivership, or if insolvency is proven, or if he applies for a declaration of bankruptcy, or assigns this contract to his creditors, or agrees to carry it out under the supervision of a committee of his creditors, or if the second party announces the liquidation of its business. 7. If the lessee breaches any clause of this contract and MODON decides to terminate the contract. 8. If the lessee dies and his heirs do not wish to continue the contract or assign it to another lessee. In the event that this contract expires or is terminated, the lessee shall return the land and deliver it to MODON free of any occupancy within (30 days) thirty days from the date of being notified of evacuation. In the event that the lessee fails to vacate the land and remove the constructions and equipment thereon within the specified period, MODON shall have the right to enter the site and confiscate and remove all contents and assets thereon in the manner it deems appropriate, with the lessee bearing all costs arising from removal, evacuation, or otherwise. The lessee shall not be entitled to claim any compensation for the structures he has built, the assets, or any amounts previously paid to MODON. The lessee shall also remain obligated to pay rent, development, operation, maintenance costs, and any other financial amounts until MODON has actually taken possession of the land, and shall compensate MODON for any losses incurred as a result thereof. The lessee further acknowledges that he has no right to claim any prepaid financial obligations or any part thereof, and that MODON's claim for the lessee's financial obligations shall not affect any decision taken by MODON regarding the lessee's breach of any provision of this contract.	
Key substantive obligations of the first party	Provision of services up to the boundaries of the industrial city (such as electricity, water, gas, and telecommunications).	
Key substantive obligations of the second party	◆ Use of the land in accordance with the activity specified in the factory license at the time of land allocation under which the plot was leased, and not using it for any other purpose, as the area in which the factory land is located is designated for this activity, and it is not permitted to modify or add any activity or increase the quantities of licensed activities except with prior written approval from MODON. ◆ Obtain MODON's prior written approval when amending the commercial register or the industrial license. In case of non-compliance, this contract shall be considered null and void, and the lessee shall be obligated to remove and rectify the situation within (30) thirty days from the date of notification by MODON.	

Industrial Land Lease Contract	Saudi Authority for Industrial Cities and Technology Zones (First Party) "MODON"	Al-Sorayai Carpet Factory Limited (Second Party) "The Lessee"
Cont. Key substantive obligations of the second party	◆ Not to use the site, including its facilities, to display any advertising signs, or to use any lights, devices, or installations intended to attract attention, whether inside or outside the facility, without obtaining prior written approval from "MODON". ◆ Not to place any advertisements, posters, or display any images that explicitly or implicitly indicate MODON's ownership or endorsement of the project or its products. ◆ Execution of the entire factory facilities in accordance with the approved plans of MODON, and commencement of production in accordance with the commercial register, in line with the industrial license, and according to the licensed production capacity and commercial quantities, within (2 years) from the date of this contract. In the event of failure to do so, the contract shall be deemed automatically null and void without the need for MODON to notify the lessee. The lessee may submit a written request to MODON prior to the end of the said two-year period stating his desire to benefit from the provision of Article Twelve of this contract. ◆ Installation of all identification signage for the leased site, at his own expense, from the commencement of the project in accordance with the conditions and specifications determined by MODON. This shall be carried out through a contractor approved by MODON. The lessee shall obtain MODON's prior written approval for the determination of their locations and ensure their compliance with the conditions and specifications set by MODON. The lessee shall also maintain them, preserve them, and repair or replace them in case of damage at his own expense in accordance with the conditions set by MODON in this regard. ◆ Provide suitable parking spaces within the boundaries of the leased land for loading and unloading goods, as well as parking spaces for his employees, workers, and visitors. The lessee shall not, under any circumstances, occupy vacant land or public areas such as green spaces, roads, or sidewalks, nor obstruct traffic movement therein or otherwise. ◆ Update all contact information annually and provide MODON with all required information, documents, and certified statistics related to the facility, which MODON may request from time to time for the purpose of planning and operating the industrial cities. ◆ Allow MODON employees to enter the leased land and its facilities at any time, and provide them with the required information and documents for the purpose of monitoring, inspection, and ensuring compliance with the implementation of this contract and adherence to safety measures in accordance with the applicable regulations. ◆ Provide MODON with all personal information and data related to him, and MODON shall have the right to disclose such information to the Saudi Credit Bureau "SIMAH" in accordance with the information sharing agreement concluded with it, or to any other entity. ◆ Paving, lighting, and fencing the perimeter of the factory from all sides of the road adjacent to the factory, provided that execution shall be in accordance with MODON-approved specifications. ◆ Fencing the land after fulfilling the conditions and requirements set by MODON in this regard. ◆ Use modern technologies in factories and rationalize the use of water and electricity. ◆ Comply with environmental protection in accordance with the environmental standards and procedures and the regulations in force at MODON, as well as the general environmental law in the Kingdom. The lessee shall also be obligated to conduct an environmental impact assessment study and obtain an environmental permit from the General Presidency of Meteorology and Environmental Protection, as requested by MODON. In the event of violation of the above, the lessee shall be subject to the penalty determined by MODON. ◆ Maintain the buildings and preserve them, and not carry out any modifications to the factory without obtaining prior written approval from MODON. ◆ Use truck weighing services and industrial waste transportation services, if available. ◆ Provide health protection and safety requirements for factory workers. ◆ Not to accommodate workers inside the factory. ◆ Not to use vacant spaces for purposes not approved in MODON's plans, such as storing materials and others. The lessee acknowledges that MODON has the right to confiscate any materials without compensating the lessee in case of non-compliance. Any approved plan that contradicts the provisions of this contract shall not be recognized, and the lessee shall rectify the situation within a period determined by MODON. In case of violation, the contract shall be deemed automatically null and void without the need for MODON to notify the lessee. ◆ All regulations approved by MODON, including the conditions and rules governing industrial cities, the specifications and standards of factories, and any amendments thereto.	

Industrial Land Lease Contract	Saudi Authority for Industrial Cities and Technology Zones (First Party) "MODON"	Al-Sorayai Carpet Factory Limited (Second Party) "The Lessee"
Waivers	◆ The lessee shall not have the right to sublease the land subject to this contract, or any part thereof, or the buildings erected thereon, nor to assign it or any part of it to another lessee, except after obtaining MODON's prior written approval. Any action taken in violation of this shall be considered null and void and shall not be recognized, and the applicable penalty shall be imposed on the lessee, whether stipulated in this contract or determined by MODON. ◆ MODON shall not consider any application submitted to it for leasing, assignment, or amendment of this contract, whether for amendment of the commercial register, activity, or industrial license, or any modification of the contents of the commercial register or license, whether in ownership, activity, or entry or exit of partners, or otherwise, except after the commencement of production and the lapse of (2 years) two years of continuous production in accordance with the industrial license and the approved licensed quantities. ◆ MODON shall not approve any request to amend the contract related to changing the activity or production unless it is in line with the approved activities of the industrial city and the zone in which the factory is located. In the event of any violation of the above, the contract shall be deemed automatically null and void without the need for MODON to notify the lessee.	
Applicable law	The applicable regulations and laws in the Kingdom of Saudi Arabia.	
Dispute resolution	In the event of any dispute or disagreement regarding the application of the provisions of this contract, reference shall be made to the Dispute Resolution Committee referred to in the executive regulations governing MODON. If an amicable settlement between the parties cannot be reached, the judicial authorities in the Kingdom of Saudi Arabia shall be the competent bodies to hear such dispute, and their decision in this regard shall be final and binding on both parties.	
Notes	No operating license.	
Documentation	Through the E-MODON platform.	

Source: The Company

Table (108): Industrial Land Lease Contract

Industrial Land Lease Contract	Saudi Authority for Industrial Cities and Technology Zones (First Party) "MODON"	Al-Sorayai Carpet Factory Limited (Second Party) "The Lessee"
Contract Type	Industrial	
Contract Scope	Jeddah First – Kingdom of Saudi Arabia	
Contract Number	809582	
Contract Date	25/04/1440H (corresponding to 01/01/2019G)	
Contract Subject	Industrial Land Lease Contract. The first party leases industrial land plot No. 0030M0070 with an area of (5,102 m²) to the second party (the lessee).	
Contract Term	The term of this contract is (20) Hijri years commencing from 25/04/1440H (corresponding to 01/01/2019G) and ending on 24/04/1460H (corresponding to 28/05/2038G).	
Contract Value	The Lessee undertakes to pay an annual amount of (25,510) Saudi Riyals.	
Notes	No operating license.	
Authentication	Through the E-MODON platform.	

Source: The Company

Table (109): Industrial Land Lease Contract

Industrial Land Lease Contract	Saudi Authority for Industrial Cities and Technology Zones (First Party) "MODON"	Al-Sorayai Carpet Factory Limited (Second Party) "The Lessee"
Contract Type	Industrial	
Contract Scope	Jeddah First – Kingdom of Saudi Arabia	
Contract Number	806662	
Contract Date	28/11/1436H (corresponding to 12/09/2015G)	
Contract Subject	Industrial Land Lease Contract The first party leases industrial land plot number 0030M00083 with an area of (33,528 m²) to the second party (the lessee).	
Contract Term	The term of this contract is (20) Hijri years commencing on 28/11/1436H (corresponding to 12/09/2015G) and ending on 27/11/1456H (corresponding to 06/02/2035G).	
Contract Value	The lessee undertakes to pay an amount of (100,584) Saudi Riyals annually.	
Notes	No operating license.	
Authentication	Through the E-MODON platform.	

Source: The Company

Table (110): Industrial Land Lease Contract

Industrial Land Lease Contract	Saudi Authority for Industrial Cities and Technology Zones (First Party) "MODON"	Al-Sorayai Carpet Factory Limited (Second Party) "The Lessee"
Contract Type	Industrial	
Contract Scope	Jeddah First – Kingdom of Saudi Arabia	
Contract Number	814755	
Contract Date	13/02/1444H (corresponding to 09/09/2022G)	
Contract Subject	Industrial Land Lease Contract The first party leases industrial land plot number 0030M00084 with an area of (11,507 m²) to the second party (the lessee).	
Contract Term	The term of this contract is (20) Hijri years commencing on 13/02/1444H (corresponding to 09/09/2022G) and ending on 12/02/1464H (corresponding to 03/02/2042G).	
Contract value	The lessee undertakes to pay an amount of (57,535) Saudi Riyals annually.	
Terms of termination or cancellation of the contract	◆ Except for force majeure events beyond the control of both parties, this contract shall be automatically deemed null and terminated in the following cases: 1. The cases stipulated in Articles Four, Five, Nine, Ten, Twelve, Fourteen, and Sixteen of this contract. 2. If the lessee delays, defaults, or fails to pay the financial obligations such as the rent value or penalty after the expiry of the second fifteen-day grace period stated in Article Fourteen of the contract. 3. If MODON deems that the application of the penalty clause specified in Article Twelve is no longer effective and decides to terminate the contract. 4. If the lessee fails to comply with the environmental requirements after being notified, or causes pollution or damage to the infrastructure, and MODON decides to terminate the contract. 5. If the two parties do not agree to renew it. 6. If the lessee goes bankrupt, or a court order is issued placing his assets under receivership, or if insolvency is proven, or if he applies for a declaration of bankruptcy, or assigns this contract to his creditors, or agrees to carry it out under the supervision of a committee of his creditors, or if the second party announces the liquidation of its business. 7. If the lessee breaches any clause of this contract and MODON decides to terminate the contract. 8. If the lessee dies and his heirs do not wish to continue the contract or assign it to another lessee.	

Industrial Land Lease Contract	Saudi Authority for Industrial Cities and Technology Zones (First Party) "MODON"	Al-Sorayai Carpet Factory Limited (Second Party) "The Lessee"
Cont. **Terms of termination or cancellation of the contract**	In the event that this contract expires or is terminated, the lessee shall return the land and deliver it to MODON free of any occupancy within (30 days) thirty days from the date of being notified of evacuation. In the event that the lessee fails to vacate the land and remove the constructions and equipment thereon within the specified period, MODON shall have the right to enter the site and confiscate and remove all contents and assets thereon in the manner it deems appropriate, with the lessee bearing all costs arising from removal, evacuation, or otherwise. The lessee shall not be entitled to claim any compensation for the structures he has built, the assets, or any amounts previously paid to MODON. The lessee shall also remain obligated to pay rent, development, operation, maintenance costs, and any other financial amounts until MODON has actually taken possession of the land, and shall compensate MODON for any losses incurred as a result thereof. The lessee further acknowledges that he has no right to claim any prepaid financial obligations or any part thereof, and that MODON's claim for the lessee's financial obligations shall not affect any decision taken by MODON regarding the lessee's breach of any provision of this contract.	
Key substantive obligations of the first party	Provision of utilities up to the boundaries of the industrial city (such as electricity, water, gas, and telecommunications).	
Key substantive obligations of the second party	◆ Use of the land in accordance with the activity specified in the factory license at the time of land allocation under which the plot was leased, and not using it for any other purpose, as the area in which the factory land is located is designated for this activity, and it is not permitted to modify or add any activity or increase the quantities of licensed activities except with prior written approval from MODON. ◆ Obtain MODON's prior written approval when amending the commercial register or the industrial license. In case of non-compliance, this contract shall be considered null and void, and the lessee shall be obligated to remove and rectify the situation within (30) thirty days from the date of notification by MODON. ◆ Not to use the site, including its facilities, to display any advertising signs, or to use any lights, devices, or installations intended to attract attention, whether inside or outside the facility, without obtaining prior written approval from "MODON". ◆ Not to place any advertisements, posters, or display any images that explicitly or implicitly indicate MODON's ownership or endorsement of the project or its products. ◆ Execution of the entire factory facilities in accordance with the approved plans of MODON, and commencement of production in accordance with the commercial register, in line with the industrial license, and according to the licensed production capacity and commercial quantities, within (2 years) from the date of this contract. In the event of failure to do so, the contract shall be deemed automatically null and void without the need for MODON to notify the lessee. The lessee may submit a written request to MODON prior to the end of the said two-year period stating his desire to benefit from the provision of Article Twelve of this contract. ◆ Installation of all identification signage for the leased site, at his own expense, from the commencement of the project in accordance with the conditions and specifications determined by MODON. This shall be carried out through a contractor approved by MODON. The lessee shall obtain MODON's prior written approval for the determination of their locations and ensure their compliance with the conditions and specifications set by MODON. The lessee shall also maintain them, preserve them, and repair or replace them in case of damage at his own expense in accordance with the conditions set by MODON in this regard. ◆ Provide suitable parking spaces within the boundaries of the leased land for loading and unloading goods, as well as parking spaces for his employees, workers, and visitors. The lessee shall not, under any circumstances, occupy vacant land or public areas such as green spaces, roads, or sidewalks, nor obstruct traffic movement therein or otherwise. ◆ Update all contact information annually and provide MODON with all required information, documents, and certified statistics related to the facility, which MODON may request from time to time for the purpose of planning and operating the industrial cities. ◆ Allow MODON employees to enter the leased land and its facilities at any time, and provide them with the required information and documents for the purpose of monitoring, inspection, and ensuring compliance with the implementation of this contract and adherence to safety measures in accordance with the applicable regulations. ◆ Provide MODON with all personal information and data related to him, and MODON shall have the right to disclose such information to the Saudi Credit Bureau "SIMAH" in accordance with the information sharing agreement concluded with it, or to any other entity.	

Industrial Land Lease Contract	Saudi Authority for Industrial Cities and Technology Zones (First Party) "MODON"	Al-Sorayai Carpet Factory Limited (Second Party) "The Lessee"
Cont. **Key substantive obligations of the second party**	◆ Paving, lighting, and fencing the perimeter of the factory from all sides of the road adjacent to the factory, provided that execution shall be in accordance with MODON-approved specifications. ◆ Fencing the land after fulfilling the conditions and requirements set by MODON in this regard. ◆ Use modern technologies in factories and rationalize the use of water and electricity. ◆ Comply with environmental protection in accordance with the environmental standards and procedures and the regulations in force at MODON, as well as the general environmental law in the Kingdom. The lessee shall also be obligated to conduct an environmental impact assessment study and obtain an environmental permit from the General Presidency of Meteorology and Environmental Protection, as requested by MODON. In the event of violation of the above, the lessee shall be subject to the penalty determined by MODON. ◆ Maintain the buildings and preserve them, and not carry out any modifications to the factory without obtaining prior written approval from MODON. ◆ Use truck weighing services and industrial waste transportation services, if available. ◆ Provide health protection and safety requirements for factory workers. ◆ Not to accommodate workers inside the factory. ◆ Not to use vacant spaces for purposes not approved in MODON's plans, such as storing materials and others. The lessee acknowledges that MODON has the right to confiscate any materials without compensating the lessee in case of non-compliance. Any approved plan that contradicts the provisions of this contract shall not be recognized, and the lessee shall rectify the situation within a period determined by MODON. In case of violation, the contract shall be deemed automatically null and void without the need for MODON to notify the lessee. ◆ All regulations approved by MODON, including the conditions and rules governing industrial cities, the specifications and standards of factories, and any amendments thereto.	
Waivers	◆ The lessee shall not have the right to sublease the land subject to this contract, or any part thereof, or the buildings erected thereon, nor to assign it or any part of it to another lessee, except after obtaining MODON's prior written approval. Any action taken in violation of this shall be deemed null and void and shall not be recognized, and the applicable penalty shall be imposed on the lessee, whether stipulated in this contract or determined by MODON. ◆ MODON shall not consider any application submitted for leasing, assignment, or amendment of this contract, whether for amending the commercial register, activity, or industrial license, or any modification of the contents of the commercial register or license, whether in ownership, activity, entry or exit of owners, or otherwise, except after the commencement of production and the lapse of (2 years) two years of continuous production in accordance with the industrial license and the approved licensed quantities. ◆ MODON shall not approve any request to amend the contract related to changing the activity or production unless it is consistent with the approved activities of the industrial city and the zone in which the factory is located. In the event of any violation of the above, the contract shall be deemed automatically null and void without the need for MODON to notify the lessee.	
Applicable law	The applicable regulations and laws in the Kingdom of Saudi Arabia.	
Dispute resolution	In the event of any dispute or disagreement regarding the application of the provisions of this contract, the matter shall be referred to the Dispute Resolution Committee mentioned in the Executive Regulations of MODON. If amicable settlement between the parties is not possible, the competent judicial authorities in the Kingdom of Saudi Arabia shall have jurisdiction to hear and decide the dispute, and their decision shall be final and binding on both parties.	
Notes	No operating license.	
Authentication	Through the E-MODON platform.	

Source: The Company

Table (111): Industrial Land Lease Contract

Industrial Land Lease Contract	Saudi Authority for Industrial Cities and Technology Zones (First Party) "MODON"	Al-Sorayai Carpet Factory Limited (Second Party) "The Lessee"
Contract Type	Industrial	
Contract Scope	Jeddah First – Kingdom of Saudi Arabia	
Contract Number	30955	
Contract Date	07/02/1431H (corresponding to 22/01/2010G)	
Contract Subject	Industrial Land Lease Contract The First Party leases an industrial land plot No. 0030C00067 with an area of (15,000 m²) to the Second Party (the Lessee).	
Contract Term	The term of this contract is (20) Hijri years commencing on 07/02/1431H (corresponding to 22/01/2010G) and ending on 06/02/1451H (corresponding to 18/06/2029G).	
Contract Value	The Lessee undertakes to pay an amount of (75,000) Saudi Riyals annually.	
Contract Termination or Cancellation Conditions	◆ Except for force majeure events beyond the control of both parties, this contract shall be automatically deemed null and terminated in the following cases: 1. The cases stipulated in Articles Four, Five, Nine, Ten, Twelve, Fourteen, and Sixteen of this contract. 2. If the lessee delays, defaults, or fails to pay the financial obligations such as the rent value or penalty after the expiry of the second fifteen-day grace period stated in Article Fourteen of the contract. 3. If MODON deems that the application of the penalty clause specified in Article Twelve is no longer effective and decides to terminate the contract. 4. If the lessee fails to comply with the environmental requirements after being notified, or causes pollution or damage to the infrastructure, and MODON decides to terminate the contract. 5. If the two parties do not agree to renew it. 6. If the lessee goes bankrupt, or a court order is issued placing his assets under receivership, or if insolvency is proven, or if he applies for a declaration of bankruptcy, or assigns this contract to his creditors, or agrees to carry it out under the supervision of a committee of his creditors, or if the second party announces the liquidation of its business. 7. If the lessee breaches any clause of this contract and MODON decides to terminate the contract. 8. If the lessee dies and his heirs do not wish to continue the contract or assign it to another lessee. In the event that this contract expires or is terminated, the lessee shall return the land and deliver it to MODON free of any occupancy within (30 days) thirty days from the date of being notified of evacuation. In the event that the lessee fails to vacate the land and remove the constructions and equipment thereon within the specified period, MODON shall have the right to enter the site and confiscate and remove all contents and assets thereon in the manner it deems appropriate, with the lessee bearing all costs arising from removal, evacuation, or otherwise. The lessee shall not be entitled to claim any compensation for the structures he has built, the assets, or any amounts previously paid to MODON. The lessee shall also remain obligated to pay rent, development, operation, maintenance costs, and any other financial amounts until MODON has actually taken possession of the land, and shall compensate MODON for any losses incurred as a result thereof. The lessee further acknowledges that he has no right to claim any prepaid financial obligations or any part thereof, and that MODON's claim for the lessee's financial obligations shall not affect any decision taken by MODON regarding the lessee's breach of any provision of this contract.	
Key Obligations of the First Party	Delivery of utilities up to the boundaries of the industrial city (such as electricity, water, gas, and telecommunications).	
Key Obligations of the Second Party	◆ Use of the land in accordance with the activity specified in the factory license at the time of land allocation under which the plot was leased, and not using it for any other purpose, as the area in which the factory land is located is designated for this activity, and it is not permitted to modify or add any activity or increase the quantities of licensed activities except with prior written approval from MODON. ◆ Obtain MODON's prior written approval when amending the commercial register or the industrial license. In case of non-compliance, this contract shall be considered null and void, and the lessee shall be obligated to remove and rectify the situation within (30) thirty days from the date of notification by MODON. ◆ Not to use the site, including its facilities, to display any advertising signs, or to use any lights, devices, or installations intended to attract attention, whether inside or outside the facility, without obtaining prior written approval from "MODON".	

Industrial Land Lease Contract	Saudi Authority for Industrial Cities and Technology Zones (First Party) "MODON"	Al-Sorayai Carpet Factory Limited (Second Party) "The Lessee"
Cont. Key substantive obligations of the second party	◆ Not to place any advertisements, posters, or display any images that explicitly or implicitly indicate MODON's ownership or endorsement of the project or its products. ◆ Execution of the entire factory facilities in accordance with the approved plans of MODON, and commencement of production in accordance with the commercial register, in line with the industrial license, and according to the licensed production capacity and commercial quantities, within (2 years) from the date of this contract. In the event of failure to do so, the contract shall be deemed automatically null and void without the need for MODON to notify the lessee. The lessee may submit a written request to MODON prior to the end of the said two-year period stating his desire to benefit from the provision of Article Twelve of this contract. ◆ Installation of all identification signage for the leased site, at his own expense, from the commencement of the project in accordance with the conditions and specifications determined by MODON. This shall be carried out through a contractor approved by MODON. The lessee shall obtain MODON's prior written approval for the determination of their locations and ensure their compliance with the conditions and specifications set by MODON. The lessee shall also maintain them, preserve them, and repair or replace them in case of damage at his own expense in accordance with the conditions set by MODON in this regard. ◆ Provide suitable parking spaces within the boundaries of the leased land for loading and unloading goods, as well as parking spaces for his employees, workers, and visitors. The lessee shall not, under any circumstances, occupy vacant land or public areas such as green spaces, roads, or sidewalks, nor obstruct traffic movement therein or otherwise. ◆ Update all contact information annually and provide MODON with all required information, documents, and certified statistics related to the facility, which MODON may request from time to time for the purpose of planning and operating the industrial cities. ◆ Allow MODON employees to enter the leased land and its facilities at any time, and provide them with the required information and documents for the purpose of monitoring, inspection, and ensuring compliance with the implementation of this contract and adherence to safety measures in accordance with the applicable regulations. ◆ Provide MODON with all personal information and data related to him, and MODON shall have the right to disclose such information to the Saudi Credit Bureau "SIMAH" in accordance with the information sharing agreement concluded with it, or to any other entity. ◆ Paving, lighting, and fencing the perimeter of the factory from all sides of the road adjacent to the factory, provided that execution shall be in accordance with MODON-approved specifications. ◆ Fencing the land after fulfilling the conditions and requirements set by MODON in this regard. ◆ Use modern technologies in factories and rationalize the use of water and electricity. ◆ Comply with environmental protection in accordance with the environmental standards and procedures and the regulations in force at MODON, as well as the general environmental law in the Kingdom. The lessee shall also be obligated to conduct an environmental impact assessment study and obtain an environmental permit from the General Presidency of Meteorology and Environmental Protection, as requested by MODON. In the event of violation of the above, the lessee shall be subject to the penalty determined by MODON. ◆ Maintain the buildings and preserve them, and not carry out any modifications to the factory without obtaining prior written approval from MODON. ◆ Use truck weighing services and industrial waste transportation services, if available. ◆ Provide health protection and safety requirements for factory workers. ◆ Not to accommodate workers inside the factory. ◆ Not to use vacant spaces for purposes not approved in MODON's plans, such as storing materials and others. The lessee acknowledges that MODON has the right to confiscate any materials without compensating the lessee in case of non-compliance. Any approved plan that contradicts the provisions of this contract shall not be recognized, and the lessee shall rectify the situation within a period determined by MODON. In case of violation, the contract shall be deemed automatically null and void without the need for MODON to notify the lessee. ◆ All regulations approved by MODON, including the conditions and rules governing industrial cities, the specifications and standards of factories, and any amendments thereto.	

Industrial Land Lease Contract	Saudi Authority for Industrial Cities and Technology Zones (First Party) "MODON"	Al-Sorayai Carpet Factory Limited (Second Party) "The Lessee"
Waivers	◆ The Lessee shall not have the right to sublease the land subject to this contract, or any part thereof, or the buildings erected thereon, nor to assign it or any part of it to another lessee, except after obtaining MODON's prior written approval. Any action taken in violation of this shall be deemed null and void and shall not be recognized, and the applicable penalty shall be imposed on the Lessee, whether stipulated in this contract or determined by MODON. ◆ MODON shall not consider any application submitted for leasing, assignment, or amendment of this contract, whether for amending the commercial register, activity, or industrial license, or any modification to the contents of the commercial register or license, whether in ownership, activity, entry or exit of shareholders, or otherwise, except after the commencement of production and the lapse of (2 years) two years of continuous production in accordance with the industrial license and the approved licensed quantities. ◆ MODON shall not approve any request to amend the contract relating to changes in activity or production unless such changes comply with the approved activities of the industrial city and the zone in which the factory is located. ◆ In the event of any violation of the above, the contract shall be deemed automatically null and void without the need for MODON to notify the Lessee.	
Applicable Law	The regulations and laws applicable in the Kingdom of Saudi Arabia.	
Dispute Resolution	In the event of any dispute or disagreement regarding the application of the provisions of this contract, the matter shall be referred to the Dispute Resolution Committee mentioned in the Executive Regulations of MODON. If an amicable settlement between the parties cannot be reached, the judicial authorities of the Kingdom of Saudi Arabia shall have jurisdiction to hear and adjudicate such dispute, and their decision shall be final and binding on both parties.	
Notes	No operating license.	
Authentication	Through the E-MODON platform.	

Source: The Company

Table (112): Industrial Land Lease Contract

Industrial Land Lease Contract	Saudi Authority for Industrial Cities and Technology Zones (First Party) "MODON"	Al-Sorayai Carpet Factory Limited (Second Party) "The Lessee"
Contract Type	Industrial	
Contract Scope	Jeddah First – Kingdom of Saudi Arabia	
Contract Number	813078	
Contract Date	26/01/1443H (corresponding to 03/09/2021G)	
Contract Subject	Industrial Land Lease Agreement The First Party leases Industrial Land Plot No. 0030M00086, with an area of (5,625 m²), to the Second Party (the Lessee).	
Contract Term	The term of this contract is (20) Hijri years, commencing on 26/01/1443H (corresponding to 03/09/2021G) and ending on 25/01/1463H (corresponding to 28/01/2041G).	
Contract Value	The Lessee shall pay an annual amount of (28,125) Saudi Riyals.	
Contract Termination or Cancellation Conditions	◆ Except for force majeure events beyond the control of both parties, this contract shall be automatically deemed null and terminated in the following cases: 1. The cases stipulated in Articles Four, Five, Nine, Ten, Twelve, Fourteen, and Sixteen of this contract. 2. If the lessee delays, defaults, or fails to pay the financial obligations such as the rent value or penalty after the expiry of the second fifteen-day grace period stated in Article Fourteen of the contract. 3. If MODON deems that the application of the penalty clause specified in Article Twelve is no longer effective and decides to terminate the contract. 4. If the lessee fails to comply with the environmental requirements after being notified, or causes pollution or damage to the infrastructure, and MODON decides to terminate the contract. 5. If the two parties do not agree to renew it.	

Industrial Land Lease Contract	Saudi Authority for Industrial Cities and Technology Zones (First Party) "MODON"	Al-Sorayai Carpet Factory Limited (Second Party) "The Lessee"
Cont. **Contract Termination or Cancellation Conditions**	6. If the lessee goes bankrupt, or a court order is issued placing his assets under receivership, or if insolvency is proven, or if he applies for a declaration of bankruptcy, or assigns this contract to his creditors, or agrees to carry it out under the supervision of a committee of his creditors, or if the second party announces the liquidation of its business. 7. If the lessee breaches any clause of this contract and MODON decides to terminate the contract. 8. If the lessee dies and his heirs do not wish to continue the contract or assign it to another lessee. In the event that this contract expires or is terminated, the lessee shall return the land and deliver it to MODON free of any occupancy within (30 days) thirty days from the date of being notified of evacuation. In the event that the lessee fails to vacate the land and remove the constructions and equipment thereon within the specified period, MODON shall have the right to enter the site and confiscate and remove all contents and assets thereon in the manner it deems appropriate, with the lessee bearing all costs arising from removal, evacuation, or otherwise. The lessee shall not be entitled to claim any compensation for the structures he has built, the assets, or any amounts previously paid to MODON. The lessee shall also remain obligated to pay rent, development, operation, maintenance costs, and any other financial amounts until MODON has actually taken possession of the land, and shall compensate MODON for any losses incurred as a result thereof. The lessee further acknowledges that he has no right to claim any prepaid financial obligations or any part thereof, and that MODON's claim for the lessee's financial obligations shall not affect any decision taken by MODON regarding the lessee's breach of any provision of this contract.	
Key Obligations of the First Party	Provision of utility services up to the boundaries of the industrial city (such as electricity, water, gas, and telecommunications).	
Key Obligations of the Second Party	◆ Use of the land in accordance with the activity specified in the factory license at the time of land allocation under which the plot was leased, and not using it for any other purpose, as the area in which the factory land is located is designated for this activity, and it is not permitted to modify or add any activity or increase the quantities of licensed activities except with prior written approval from MODON. ◆ Obtain MODON's prior written approval when amending the commercial register or the industrial license. In case of non-compliance, this contract shall be considered null and void, and the lessee shall be obligated to remove and rectify the situation within (30) thirty days from the date of notification by MODON. ◆ Not to use the site, including its facilities, to display any advertising signs, or to use any lights, devices, or installations intended to attract attention, whether inside or outside the facility, without obtaining prior written approval from "MODON". ◆ Not to place any advertisements, posters, or display any images that explicitly or implicitly indicate MODON's ownership or endorsement of the project or its products. ◆ Execution of the entire factory facilities in accordance with the approved plans of MODON, and commencement of production in accordance with the commercial register, in line with the industrial license, and according to the licensed production capacity and commercial quantities, within (2 years) from the date of this contract. In the event of failure to do so, the contract shall be deemed automatically null and void without the need for MODON to notify the lessee. The lessee may submit a written request to MODON prior to the end of the said two-year period stating his desire to benefit from the provision of Article Twelve of this contract. ◆ Installation of all identification signage for the leased site, at his own expense, from the commencement of the project in accordance with the conditions and specifications determined by MODON. This shall be carried out through a contractor approved by MODON. The lessee shall obtain MODON's prior written approval for the determination of their locations and ensure their compliance with the conditions and specifications set by MODON. The lessee shall also maintain them, preserve them, and repair or replace them in case of damage at his own expense in accordance with the conditions set by MODON in this regard. ◆ Provide suitable parking spaces within the boundaries of the leased land for loading and unloading goods, as well as parking spaces for his employees, workers, and visitors. The lessee shall not, under any circumstances, occupy vacant land or public areas such as green spaces, roads, or sidewalks, nor obstruct traffic movement therein or otherwise. ◆ Update all contact information annually and provide MODON with all required information, documents, and certified statistics related to the facility, which MODON may request from time to time for the purpose of planning and operating the industrial cities. ◆ Allow MODON employees to enter the leased land and its facilities at any time, and provide them with the required information and documents for the purpose of monitoring, inspection, and ensuring compliance with the implementation of this contract and adherence to safety measures in accordance with the applicable regulations.	

Industrial Land Lease Contract	Saudi Authority for Industrial Cities and Technology Zones (First Party) "MODON"	Al-Sorayai Carpet Factory Limited (Second Party) "The Lessee"
Cont. **Key substantive obligations of the second party**	◆ Provide MODON with all personal information and data related to him, and MODON shall have the right to disclose such information to the Saudi Credit Bureau "SIMAH" in accordance with the information sharing agreement concluded with it, or to any other entity. ◆ Paving, lighting, and fencing the perimeter of the factory from all sides of the road adjacent to the factory, provided that execution shall be in accordance with MODON-approved specifications. ◆ Fencing the land after fulfilling the conditions and requirements set by MODON in this regard. ◆ Use modern technologies in factories and rationalize the use of water and electricity. ◆ Comply with environmental protection in accordance with the environmental standards and procedures and the regulations in force at MODON, as well as the general environmental law in the Kingdom. The lessee shall also be obligated to conduct an environmental impact assessment study and obtain an environmental permit from the General Presidency of Meteorology and Environmental Protection, as requested by MODON. In the event of violation of the above, the lessee shall be subject to the penalty determined by MODON. ◆ Maintain the buildings and preserve them, and not carry out any modifications to the factory without obtaining prior written approval from MODON. ◆ Use truck weighing services and industrial waste transportation services, if available. ◆ Provide health protection and safety requirements for factory workers. ◆ Not to accommodate workers inside the factory. ◆ Not to use vacant spaces for purposes not approved in MODON's plans, such as storing materials and others. The lessee acknowledges that MODON has the right to confiscate any materials without compensating the lessee in case of non-compliance. Any approved plan that contradicts the provisions of this contract shall not be recognized, and the lessee shall rectify the situation within a period determined by MODON. In case of violation, the contract shall be deemed automatically null and void without the need for MODON to notify the lessee. ◆ All regulations approved by MODON, including the conditions and rules governing industrial cities, the specifications and standards of factories, and any amendments thereto.	
Waivers	◆ The Lessee shall not have the right to sublease the land subject to this Contract, or any part thereof, or the buildings constructed thereon, nor to assign the same or any part thereof to another lessee, except after obtaining MODON's prior written approval. Any action taken otherwise shall be deemed null and void and shall not be recognized, and the applicable penalty shall be imposed on the Lessee, whether stipulated in this Contract or determined by MODON. ◆ MODON shall not consider any application submitted for leasing, assignment, or amendment of this Contract, whether for amending the commercial register, activity, or industrial license, or for any modification to the content of the commercial register or license, whether in ownership, activity, entry or exit of owners, or otherwise, except after the commencement of production and the lapse of (2 years) two years of continuous production in accordance with the industrial license and the approved licensed quantities. ◆ MODON shall not approve any request to amend the Contract relating to changes in activity or production unless such changes are consistent with the approved activities of the industrial city and the zone in which the factory is located. In the event of any breach of the above provisions, the Contract shall be deemed automatically null and void without the need for MODON to notify the Lessee.	
Applicable Law	The applicable laws and regulations in force in the Kingdom of Saudi Arabia.	
Dispute Resolution	In the event of any dispute or disagreement regarding the implementation of the provisions of this Contract, the matter shall be referred to the Dispute Resolution Committee mentioned in the Executive Regulations of MODON. If the dispute cannot be resolved amicably between the Parties, the competent judicial authorities in the Kingdom of Saudi Arabia shall have jurisdiction to hear and decide on such dispute, and their decision in this regard shall be final and binding on both Parties.	
Notes	No operating license.	
Authentication	Through the E-MODON platform.	

Source: The Company

9-7-4 Credit facilities and loans

- Except as stated below, and according to the Company's representation, there are no outstanding loans, bank facilities, or financial lease agreements with any Saudi or non-Saudi banks as of the date of preparation of this Prospectus. Based on the Company's representations, it has not granted any cash loans of any kind to members of its Board of Directors, nor has it provided any guarantees for any loans granted to Board members or employees with third parties. The Company has also not opened any letters of credit.
- The Company has not granted any advances to its employees, except for salary advances, which are deducted from housing and/or transportation allowances in accordance with the employment contract.
- The following is a summary of the credit facility agreements:

1. Saudi National Bank

- The Company obtained credit facilities from Saudi National Bank, with a credit limit amounting to (23,635,727.24) Saudi Riyals. These facilities are in the form of credit facilities to finance the production cycle and restructure letters of credit.
- According to the financial statements for the year ended 31 December 2024G, during 2022G the Company undertook a restructuring of the loan from Saudi National Bank amounting to 27.3 million Saudi Riyal to finance its operations, and it was fully utilized at the time of the loan restructuring. The restructured loan consists of 12 million Saudi Riyal revolving working capital and 15.3 million Saudi Riyal one-time restructured loan, with the final installment maturity date on 31 December 2025G. This loan bears interest at the Saudi Interbank Offered Rate (SIBOR) plus 2.25% and 2.5%, and is secured by promissory notes. It also includes certain covenants requiring, among other matters, the maintenance of specific financial ratios.
- During the year ended 31 December 2024G, there was no compliance with certain covenants related to the outstanding loans with various banks. The management is in discussions with these financial institutions regarding a waiver and expects such waiver for future periods under the agreement. Accordingly, the loans were not repayable on demand as of 31 December 2025G.
- During the period ended 30 September 2025G, the covenant related to the outstanding loans with Saudi National Bank was not complied with. The management is in discussions with the relevant financial institutions to obtain a waiver and expects such waiver to be granted for future periods in accordance with the agreement. Accordingly, the loans were not repayable on demand as of 30 September 2025G.
- The utilized balance as of 30 September 2025G amounted to (23,008,869.24) Saudi Riyals. The following is a brief summary of these facilities:

Table (113): Saudi National Bank facilities

Financier	Agreement Signing Date	Facility Availability Expiry Date	Credit Limit (Saudi Riyals)	Utilized Amount* (Saudi Riyals)	Repaid Amount* (Saudi Riyals)	Balance* (Saudi Riyals)	Repayment Schedule
Saudi National Bank	08/10/1445H (corresponding to 17/04/2024G)	28/05/1446H (corresponding to 30/11/2024G)	23,635,727.24	23,008,869.24	11,418,393.96	11,590,476	-

- The validity of this agreement starts on 17/04/2024G and ends on 31/12/2025G.
- The First Party previously provided credit facilities to the Second Party under a renewal and/or amendment agreement for the financing, banking services, and related facilities agreement signed on 24/03/1444H (corresponding to 20/10/2022G), which has expired and is referred to as the (Original Agreement). The Client has requested the renewal and/or amendment of the term of the Original Agreement in accordance with the terms set out in this agreement signed on the specified date. The Bank has agreed to the Client's request to renew the Original Agreement and/or amend it in accordance with the terms and conditions of this agreement. The Client also acknowledges all outstanding obligations under the Original Agreement as evidenced in the statement of outstanding obligations dated: 23/11/2023G.

- **Agreement Documents:**
  - Promissory note dated 17/04/2024G in the amount of (25,999,299.96) Saudi Riyal signed by the Company.
  - Statement of outstanding obligations dated 23/11/2023G, approved by the Company on 17/04/2023G.
  - Acknowledgement and undertaking issued by Mr. Waiel Saad Abdulaziz Al Rashid in his capacity as an authorized signatory of the Company, acknowledging that the Company has obtained credit facilities in the amount of 23,635,727.24 Saudi Riyal from Saudi National Bank.
  - The annex to the agreement containing the statement of the facilities and their details.
  - According to the condensed consolidated interim financial statements for the nine-month period ended 30 September 2025G, the covenant related to the outstanding loans with Saudi National Bank was not complied with. Management is in discussions with these financial institutions to obtain a waiver and expects such waiver to be granted for future periods. Accordingly, the loans were not repayable on demand as of 30 September 2025G.

Source: The Company

*As of 30 September 2025G

2. Al Rajhi Bank

- The Company has credit facilities with Al Rajhi Bank with a credit limit of (15,000,000) Saudi Riyals.
- Pursuant to the financial statements for the year ending 31 December 2024G, and during 2024G, the Company restructured the loan from Al Rajhi Bank amounting to 14.8 million Saudi Riyals to finance its operations, which was fully utilized at the time of the loan restructuring. This loan is subject to the Saudi Interbank Offered Rate (SAIBOR) plus 1.75% and is secured by promissory notes. The loan is due on 1 December 2027G.
- The utilized balance as of 30 September 2025G amounted to (14,828,553.83) Saudi Riyals. The following is a brief overview of these facilities:

Table (114): Al Rajhi Bank Facilities

Financier	Agreement Signing Date	Facility Availability Expiry Date	Credit Limit (Saudi Riyals)	Utilized Amount* (Saudi Riyals)	Repaid Amount* (Saudi Riyals)	Balance* (Saudi Riyals)	Repayment Schedule
Al Rajhi Bank	21/12/1445H (corresponding to 27/06/2024G)	03/08/1448H (corresponding to 11/01/2027G)	15,000,000	14,828,553.83	4,801,340.06	10,027,213.77	-

Facility Agreement Documents:

- Deferred Sale Agreement dated 21/12/1445H (corresponding to 27/06/2024G) between Naseej International Trading Company and Al Rajhi Banking and Investment Corporation.
- Guarantee Statement in favor of Al Rajhi Banking and Investment Corporation dated 21/12/1445H (corresponding to 27/06/2024G), signed by Jeddah Industrial Yarn Factory, a branch of Naseej International Trading Company, binding both parties to guarantee credit facilities in the amount of (15,000,000) Saudi Riyals concluded between Al Rajhi Bank and Naseej International Trading Company.
- Guarantee Statement in favor of Al Rajhi Banking and Investment Corporation dated 21/12/1445H (corresponding to 27/06/2024G) signed by Al-Sorayai Carpet Factory, a branch of Naseej International Trading Company, binding them to guarantee the credit facilities in the amount of (15,000,000) Saudi Riyals concluded between Al Rajhi Bank and Naseej International Trading Company.
- Guarantee Statement in favor of Al Rajhi Banking and Investment Corporation dated 21/12/1445H (corresponding to 27/06/2024G) signed by The Home Styles Company Limited, binding them to guarantee the credit facilities in the amount of (15,000,000) Saudi Riyals concluded between Al Rajhi Bank and Naseej International Trading Company.
- Guarantee Statement in favor of Al Rajhi Banking and Investment Corporation dated 21/12/1445H (corresponding to 27/06/2024G), signed by Al-Sorayai Company for Operation and Maintenance Limited, obligating them to guarantee the credit facilities amounting to (15,000,000) Saudi Riyals entered into between Al Rajhi Bank and Naseej International Trading Company.
- Guarantee Statement in favor of Al Rajhi Banking and Investment Corporation dated 21/12/1445H (corresponding to 27/06/2024G) signed by Al-Sorayai Projects Company, binding them to guarantee the credit facilities in the amount of (15,000,000) Saudi Riyals concluded between Al Rajhi Bank and Naseej International Trading Company.

Source: The Company

*As of 30 September 2025G

3. Riyad Bank

- The Company has credit facilities with Riyad Bank with a credit limit amounting to (106,943,000) Saudi Riyals. These facilities are secured by a promissory note in favor of Riyad Bank in the amount of (135,000,000) Saudi Riyals.
- According to the financial statements for the year ended 31 December 2024G, during 2024G the Company undertook a restructuring of the loan from Riyad Bank amounting to (106,943,000) Saudi Riyal to finance its operations, and it was fully utilized. At the time of loan restructuring, this loan bears interest at the Saudi Interbank Offered Rate (SIBOR) plus 2%, and is secured by promissory notes. The loan maturity date is 15 October 2031G.
- The utilized balance as of 30 September 2025G amounted to (106,943,000) Saudi Riyals. The following is a brief summary of these facilities:

Table (115): Riyad Bank Facilities

Financier	Agreement Signing Date	Facility Availability Expiry Date	Credit Limit (Saudi Riyals)	Utilized Amount* (Saudi Riyals)	Repaid Amount* (Saudi Riyals)	Balance* (Saudi Riyals)	Repayment Schedule
Riyad Bank	20/11/1445H (corresponding to 28/05/2024G)	24/03/1453H (corresponding to 14/07/2031G)	106,943,000	106,943,000	12,171,646.87	94,771,354	Monthly installments at a rate of 19.2 million Saudi Riyals per annum.

Supporting Documents:

- Credit facilities renewal request with acknowledgement of correctness of transactions and debit balances dated 20/11/1445H (corresponding to 28/05/2024G) submitted by Naseej International Trading Company to Riyad Bank. The Company acknowledges and confirms the indebtedness stated above and the accuracy of its balance amounting to 108,283,592.25 Saudi Riyals against the agreed credit limit of 106,943,000 Saudi Riyals.
- Promissory note issued by Naseej International Trading Company dated 20/11/1445H (corresponding to 28/05/2024G) in the amount of 135,000,000 Saudi Riyals in favor of Riyad Bank.

Source: The Company

*As of 30 September 2025G

4. National Development Fund

- The Company has credit facilities with a credit limit amounting to (36,442,418.00) Saudi Riyals.
- According to the financial statements for the year ended 31 December 2024G, during 2021G the Company obtained short-term credit facilities from the Ministry of Finance in the form of an interest-free loan amounting to 34 million Saudi Riyals, which may be used to settle invoices of local and foreign suppliers.
- The utilized balance as of 30 September 2025G amounted to (14,998,804.00) Saudi Riyals. The following is a brief summary of these facilities:

Table (116): National Development Fund Facilities

Financier	Agreement Signing Date	Facility Availability Expiry Date	Credit Limit (Saudi Riyals)	Utilized Amount* (Saudi Riyals)	Repaid Amount* (Saudi Riyals)	Balance* (Saudi Riyals)	Repayment Schedule
Riyad Bank	02/11/1443H (corresponding to 01/06/2022G)	24/03/1453H (corresponding to 15/04/2027G)	36,442,418.00	14,998,804.00	3,500,000.00	11,498,804	In accordance with the schedule specified in the terms document.

The facilities have been restructured as follows:

- Part (A) of the facility: a medium-term loan amounting to 19,442,418 Saudi Riyals, and Part (B) of the facility: working capital amounting to 15 million Saudi Riyals (financing letters of credit and invoices).
- With reference to the interest-free loan facility agreement between the Ministry of Finance, in its capacity as lender, and Naseej International Trading Company, in its capacity as borrower, dated 26/01/1441H (corresponding to 25/09/2019G), on 04/12/1444H (corresponding to 22/06/2023G), the National Debt Management Center stated that the National Development Fund has replaced the Ministry of Finance in the agreement as the lender, and that all existing and future assets, documents, guarantees, rights, and obligations under the agreement have been transferred to the National Development Fund.

Source: The Company

*As of 30 September 2025G

- The following is a summary of loans and credit facilities

Table (117): Summary of Loans and Credit Facilities

Financing Entity	Agreement Date	Facility Expiry Date	Credit Limit (Saudi Riyals)	Utilized Amount*	Repaid Amount*	Balance as of 30/09/2025G
Saudi National Bank	17/05/2024G	31/12/2025G	23,635,727.24	23,008,869.24	11,418,393.96	11,590,475.28
Al Rajhi Bank	27/06/2024G	11/06/2027G	15,000,000.00	14,828,553.83	4,801,340.06	10,027,213.77
Riyad Bank	28/05/2024G	14/07/2031G	106,943,000.00	106,943,000.00	12,171,646.87	94,771,353.13
National Development Fund	01/06/2022G	15/04/2027G	36,442,418.00	14,998,804.00	3,500,000.00	11,498,804.00

Source: The Company

*As of 30 September 2025G

9-7-5 Other Material Contracts Related to the Group's Activities

- The Company has entered into a number of agreements with other parties for purposes related to its business activities, in the course of conducting its operations. The following table summarizes the agreements and contracts entered into by the Company for purposes related to its business activities:

Table (118): Material Agreements and Contracts

Contract Date	First Party	Second Party	Contract Subject	Contract Value	Contract Expiry Date	Renewal	Notes
15/06/1446H (corresponding to 16/12/2024G)	Ashab Al Salamah Establishment	Naseej International Trading Company	Maintenance Contract – Maintenance of fire detection and firefighting systems, including periodic visits and preparation of technical reports detailing the condition of safety systems.	1,200 Saudi Riyals	16/06/1447H (corresponding to 07/12/2025G)	By written agreement between the two parties.	-
14/05/1447H (corresponding to 05/11/2025G)	Mohammed bin Amer Al-Hajri	Naseej International Trading Company	Power of Attorney – for the purpose of representing the Second Party in a commercial case against Al Tuhami Group LLC and Al Ghabish Trading Establishment.	15,000 Saudi Riyals	Completion of litigation stages.	-	The Second Party undertakes not to revoke the legal power of attorney before the notary public until the completion of its claim before the court.
19/02/1446H (corresponding to 23/08/2024G)	Al Afaq & Partners Company	Al-Sorayai Trading Industrial Group Company	Power of Attorney – for the purpose of representing the Second Party in a case against Samir Al Mahmoud & Sons Company.	400,000 Saudi Riyals	Completion of litigation stages.	-	-

Contract Date	First Party	Second Party	Contract Subject	Contract Value	Contract Expiry Date	Renewal	Notes
01/01/1446H (corresponding to 07/07/2024G)	Lawyer Shouq Nasser Shabkawah	Ahmed bin Mohammed bin Obaid Al-Malki, in his capacity as Legal Department Manager of Naseej International Trading Company.	Power of Attorney – for the purpose of representing the Second Party in a case against Noor Regional Trading Company.	1,200 Kuwaiti Dinar (equivalent to 14,650 Saudi Riyals)	Completion of litigation stages.	-	-
25/03/1447H (corresponding to 17/09/2025G)	Lawyer Shouq Nasser Shabkawah	Naseej International Trading Company	Power of Attorney – for the purpose of representing the Second Party in a case against Noor Regional Trading Company.	800 Kuwaiti Dinar (equivalent to 9,767 Saudi Riyals)	Completion of litigation stages.	-	-
25/03/1447H (corresponding to 17/09/2025G)	Lawyer Shouq Nasser Shabkawah	Naseej International Trading Company	Power of Attorney – for the purpose of representing the Second Party in a case against Al Rawdah Company.	1,000 Kuwaiti Dinar (equivalent to 12,209 Saudi Riyals)	Completion of litigation stages.	-	-
06/07/1446H (corresponding to 06/01/2025G)	Lawyer Hossam Ahmed Abdul Hamid Amouri	Naseej International Trading Company	Power of Attorney – for the purpose of representing the Second Party in a case against Biladi Carpet Trading and Manufacturing Company.	10% of the collection value	Completion of litigation stages.	-	-
20/11/1446H (corresponding to 18/05/2025G)	El-Sayed El-Ayouty & Co. Certified Public Accountants	Naseej International Trading Company	Review of the financial statements for the periods ended June and September and 2025G, in addition to March 2026G, and the financial statements for the fiscal year ended 31 December 2025G.	(300,000) Saudi Riyals	Completion of the preparation of the financial statements.	-	-

Source: The Company

9-8 Trademarks and Intellectual Property Rights

- The Company owns a logo used in its commercial dealings and has submitted an application for its registration as a trademark with the Saudi Authority for Intellectual Property (SAIP). Trademark registration will enable the Company to display its name and logo on the external façade of buildings, offices, or commercial premises it occupies, following final registration of the trademark and the granting of the necessary legal protection in accordance with the Trademark Law.

Website:

- The Company's website or electronic domain has not been registered with the Communications, Space & Technology Commission (formerly the Communications and Information Technology Commission) – Saudi Network Information Center.

9-9 Insurance

The Group has entered into a number of insurance policies to mitigate certain risks to which it may be exposed, as set out in the following table:

Table (119): Summary of the Company's Insurance Policies

Insurance Company	Policy Type	Policy Holder	Policy Number	Coverage Start Date	Coverage End Date
The Company for Cooperative Insurance (Tawuniya)	Health Insurance Policy	Naseej International Trading Company	48856352	15/09/2025G	15/09/2026G
Arabian Shield Cooperative Insurance Company	Motor Vehicles Insurance Policy	Naseej International Trading Company	P/WRO1/2025/ CMC/0000132	22/05/2025G	21/05/2026G

Source: The Company

According to a report issued by the Public Security – Traffic Department, the Company owns (62) vehicles, all of which have valid insurance coverage as of 12/11/2025G.

It is worth noting that, as of the date of this prospectus, the Company has not entered into any all-risk or fire insurance policies covering its properties.

9-10 Disputes and Lawsuits

- The Company's management confirms that the Company is not a party to any legal action, claim, arbitration, or administrative proceedings, whether individually or collectively, that are pending or likely to be initiated and that may materially affect the Company's business or financial position as of the date of this prospectus, except for those disclosed in the tables below:
- The tables below present a summary of the Company's legal cases:

A. Lawsuits in which the Company is a party in the capacity of (Plaintiff):

Table (120): Lawsuits in which the company is a party as a (plaintiff)

No.	Plaintiff	Defendant	Case Number	Subject of the Case	Claim Value	Judicial Authority	Last Action and Date	Current Status	Judgment Outcome
1	Naseej International Trading Company	Defendant 1	4772028036	Contract termination	-	General Court	Hearing scheduled on 26/06/1447H	Ruled with final judgment	The judgment deed was issued for the termination of the showroom lease contract.
2	Naseej International Trading Company	Defendant 2	4771882658	Sale and supply	61,171 Saudi Riyals	Commercial Court	13/04/1447H	Ruled with final judgment	The Defendant is ordered to pay Naseej Trading Company an amount of 61,171 Saudi Riyals, in addition to an amount of 3,000 Saudi Riyals as compensation for litigation damages.
3	Naseej International Trading Company	Defendant 3	4772352036	Sale and supply	68,411 Saudi Riyals	Commercial Court	12/10/1447H	Under consideration	The Defendant is ordered to pay the price amounting to (68,411.00) Saudi Riyals.
4	Naseej International Trading Company	Defendant 4	4772352000	Sale and supply	82,654 Saudi Riyals	Commercial Court	17/07/1447H	Ruled with final judgment	A judgment was issued deeming the case as if it had not been filed.

No.	Plaintiff	Defendant	Case Number	Subject of the Case	Claim Value	Judicial Authority	Last Action and Date	Current Status	Judgment Outcome
5	Naseej International Trading Company	Defendant 5	4772310011	Sale and supply	111,033 Saudi Riyals	Commercial Court	09/07/1447H	Ruled with final judgment	A judgment was issued ordering the Defendant to pay Naseej International Trading Company an amount of 111,033 Saudi Riyals.
6	Naseej International Trading Company	Defendant 6	4772435071	Sale and supply	63,729 Saudi Riyals	Commercial Court	23/08/1447H	Ruled with final judgment	A judgment was issued ordering the Defendant to pay Naseej International Trading Company an amount of 63,729 Saudi Riyals.
7	Naseej International Trading Company	Defendant 7	4771800662	Sale and supply	178,088.36 Saudi Riyals	Commercial Court	01/07/1447H	Ruled with final judgment	A judgment was issued ordering the Defendant to pay Naseej an amount of 178,088.36 Saudi Riyals.
8	Naseej International Trading Company	Defendant 8	4771800621	Sale and supply	25,691.44 Saudi Riyals	Commercial Court	Hearing scheduled on 22/08/1447H	Under consideration	The Defendant is ordered to pay the price amounting to (25,961.44) Saudi Riyals.
9	Naseej International Trading Company	Defendant 9	4772291606	Sale and supply	997,366 Saudi Riyals	Commercial Court	04/07/1447H	Under consideration	The Defendant is ordered to pay the price amounting to (997,366.00) Saudi Riyals.
10	Naseej International Trading Company	Defendant 10	4771800640	Sale and supply	34,754 Saudi Riyals	Commercial Court	Hearing scheduled on 09/07/1447H	Ruled with non-final judgment	The judgment deed is under issuance procedure.
11	Naseej International Trading Company	Defendant 11	4772525910	Sale and supply	93,707 Saudi Riyals	Commercial Court	Hearing scheduled on 22/08/1447H	Under consideration	The Defendant is ordered to pay the price amounting to (93,707.00) Saudi Riyals.
12	Naseej International Trading Company	Defendant 12	4772758403	Sale and supply	90,012 Saudi Riyals	Commercial Court	19/10/1447H	Under consideration	Paying the price amounting to (80,012.00) Saudi Riyals, and compensation for litigation damages in the amount of (10,000.00) Saudi Riyals.
13	Naseej International Trading Company	Defendant 13	4772758103	Sale and supply	12,215.42 Saudi Riyals	Commercial Court	19/10/1447H	Under consideration	Paying the price amounting to (9,215.42) Saudi Riyals, and compensation for litigation damages in the amount of (3,000.00) Saudi Riyals.
Total					**1,818,831.86 Saudi Riyals**				

Source: The Company

B. Lawsuits in which the Company is a party in the capacity of (Defendant):

Table (121): Lawsuits in which the company is a party as a (Defendant)

No.	Plaintiff	Defendant	Case Number	Subject of the Case	Claim Value	Judicial Authority	Last Action and Date	Current Status
1	Plaintiff 1	Naseej International Trading Company	4772225452	Employee claims	8,220 Saudi Riyals	Labor Court	22/08/1447H	Ruled with final judgment
2	Plaintiff 2	Naseej International Trading Company	4772091535	Employee claims	122,068 Saudi Riyals	Labor Court	09/07/1447H	Expired
3	Plaintiff 3	Naseej International Trading Company	4771777600	Contracting	65,488 Saudi Riyals	Commercial Court	Hearing scheduled on 07/10/1447H	Under consideration
4	Plaintiff 4	Naseej International Trading Company	4772496129	Employee claims	33,850 Saudi Riyals	Labor Court	23/11/1447H	Ruled with final judgment
5	Plaintiff 5	Naseej International Trading Company	4772062667	Employee claims	5,760 Saudi Riyals	Labor Court	03/08/1447H	Ruled with final judgment
6	Plaintiff 6	Naseej International Trading Company	4772060851	Employee claims	24,383 Saudi Riyals	Labor Court	24/06/1447H	Ruled with final judgment
7	Plaintiff 7	Naseej International Trading Company	4772444814	Employee claims	24,184 Saudi Riyals	Labor Court	Hearing scheduled on 11/10/1447H	Under consideration
8	Plaintiff 8	Naseej International Trading Company	4772019743	Employee claims	29,131 Saudi Riyals	Labor Court	01/08/1447H	Ruled with final judgment
9	Plaintiff 9	Naseej International Trading Company	4772504864	Employee claims	33,975 Saudi Riyals	Labor Court	Hearing scheduled on 20/11/1447H	Ruled with final judgment
10	Plaintiff 10	Naseej International Trading Company	4772001705	Employee claims	9,200 Saudi Riyals	Labor Court	13/06/1447H	Ruled with final judgment
11	Plaintiff 11	Naseej International Trading Company	4771951290	Employee claims	12,091 Saudi Riyals	Labor Court	01/07/1447H	Ruled with final judgment
12	Plaintiff 12	Naseej International Trading Company	4771771388	Sale and supply	476,150 Saudi Riyals	Commercial Court	18/03/1447H	Expired
13	Plaintiff 13	Naseej International Trading Company	4772273689	Employee claims	33,027 Saudi Riyals	Labor Court	20/06/1447H	Expired
14	Plaintiff 14	Naseej International Trading Company	4772793811	Sale and supply	657,114.35 Saudi Riyals	Commercial Court	26/10/1447H	Ruled with final judgment
15	Plaintiff 15	Naseej International Trading Company	4772791612	Employee claims	85,312 Saudi Riyals	Labor Court	26/10/1447H	Under consideration
16	Plaintiff 16	Naseej International Trading Company	4772770760	Employee claims	168,168.63 Saudi Riyals	Labor Court	21/10/1447H	Under consideration
17	Plaintiff 17	Naseej International Trading Company	4772750704	Employee claims	-	Labor Court	23/11/1447H	Ruled with final judgment
18	Plaintiff 18	Naseej International Trading Company	4772676059	Employee claims	19,445.55 Saudi Riyals	Labor Court	05/10/1447H	Under consideration
19	Plaintiff 19	Naseej International Trading Company	4772666054	Claim for documents	-	Commercial Court	23/09/1447H	Ruled with final judgment

No.	Plaintiff	Defendant	Case Number	Subject of the Case	Claim Value	Judicial Authority	Last Action and Date	Current Status
20	Plaintiff 20	Naseej International Trading Company	4772440120	Employee claims	139,187.90 Saudi Riyals	Labor Court	05/08/1447H	Under consideration
21	Plaintiff 21	Naseej International Trading Company	4772372992	Employee claims	105,496 Saudi Riyals	Labor Court	22/07/1447H	Under consideration
22	Plaintiff 22	Naseej International Trading Company	4772870708	Claim for documents	-	General Court	17/11/1447H	Under consideration
23	Plaintiff 23	Naseej International Trading Company	4772938292	Insolvency	-	Execution Court	01/12/1447H	Under consideration
24	Plaintiff 24	Naseej International Trading Company	4772933645	Employee claims	31,543	Labor Court	30/11/1447H	Under consideration
25	Plaintiff 25	Naseej International Trading Company	4772905628	Employee claims	63,807	Labor Court	24/11/1447H	Under consideration
26	Plaintiff 26	Naseej International Trading Company	4772884278	Employee claims	28,569	Labor Court	20/11/1447H	Under consideration
27	Plaintiff 27	Naseej International Trading Company	4772878459	Employee claims	47,569	Labor Court	18/11/1447H	Under consideration
		Total			**2,223,739.43 Saudi Riyals**			

Source: The Company

- The table below shows the execution requests submitted by the Company in its capacity as (Enforcer). As for the execution requests filed against the Company in its capacity as (Execution Respondent), all of them have been settled. The table also illustrates the status of the pending execution requests.

Table (122): Pending Execution Requests

Execution Respondent No	Enforcer	Execution Request Number	Execution Request Date	Type of Instrument	Request Status	Payment Status	Payment Amount (Saudi Riyals)	Remaining Amount (Saudi Riyals)	Paid Amount (Saudi Riyals)
1	Naseej International Trading Company	401014703644780	07/05/1447H (corresponding to 29/10/2025G)	Promissory Note	Completed	Paid	87,791	-	87,791
2	Naseej International Trading Company	401014703644730	07/05/1447H (corresponding to 29/10/2025G)	Promissory Note	Completed	Paid	87,791	-	87,791
3	Naseej International Trading Company	402034700938951	07/05/1447H (corresponding to 29/10/2025G)	Judgment / Decision / Order issued by the Court	In Progress	Corrective Action Implemented	Direct Execution of Roof Repair	-	Direct Execution of Roof Repair
4	Naseej International Trading Company	401014703594589	07/05/1447H (corresponding to 29/10/2025G)	Promissory Note	Completed	Paid	28,077	-	28,077
5	Naseej International Trading Company	401014703616233	29/04/1447H (corresponding to 21/10/2025G)	Promissory Note	Completed	Paid	29,573	-	29,573

Execution Respondent No	Enforcer	Execution Request Number	Execution Request Date	Type of Instrument	Request Status	Payment Status	Payment Amount (Saudi Riyals)	Remaining Amount (Saudi Riyals)	Paid Amount (Saudi Riyals)
6	Naseej International Trading Company	401014703589505	22/04/1447H (corresponding to 14/10/2025G)	Promissory Note	Completed	Paid	25,280	-	25,280
7	Naseej International Trading Company	401014703589407	22/04/1447H (corresponding to 14/10/2025G)	Promissory Note	Completed	Paid	25,280	-	25,280
8	Naseej International Trading Company	401014703524319	02/04/1447H (corresponding to 24/09/2025G)	Judgment / Decision / Order issued by the Court	Completed	Paid	161,316.89	-	161,316.89
9	Naseej International Trading Company	401014703483850	18/03/1447H (corresponding to 10/09/2025G)	Promissory Note	Completed	Paid	90,671	-	90,671
10	Naseej International Trading Company	401014703395788	18/02/1447H (corresponding to 12/08/2025G)	Promissory Note	Completed	Paid	48,408	-	48,408
11	Naseej International Trading Company	401014703395762	18/02/1447H (corresponding to 12/08/2025G)	Promissory Note	Completed	Paid	48,408	-	48,408
12	Naseej International Trading Company	401014703395711	18/02/1447H (corresponding to 12/08/2025G)	Promissory Note	Completed	Paid	48,408	-	48,408
13	Naseej International Trading Company	401014703327864	29/01/1447H (corresponding to 24/07/2025G)	Promissory Note	Completed	Paid	33,906	-	33,906
14	Naseej International Trading Company	401014703327759	29/01/1447H (corresponding to 24/07/2025G)	Promissory Note	Completed	Paid	33,906	-	33,906
15	Naseej International Trading Company	401014703309990	25/01/1447H (corresponding to 20/07/2025G)	Promissory Note	Completed	Paid	100,523.8	-	100,523.8
16	Naseej International Trading Company	401014703309269	25/01/1447H (corresponding to 20/07/2025G)	Promissory Note	Completed	Paid	100,523.8	-	100,523.8
17	Naseej International Trading Company	401024601889170	28/12/1446H (corresponding to 24/06/2025G)	Judgment / Decision / Order issued by the Court	Completed	Paid	57,188.69	-	57,188.69

Execution Respondent No	Enforcer	Execution Request Number	Execution Request Date	Type of Instrument	Request Status	Payment Status	Payment Amount (Saudi Riyals)	Remaining Amount (Saudi Riyals)	Paid Amount (Saudi Riyals)
18	Naseej International Trading Company	401014603176261	22/12/1446H (corresponding to 18/06/2025G)	Promissory Note	Completed	Paid	94,594.66	-	94,594.66
19	Naseej International Trading Company	401014603089990	15/11/1446H (corresponding to 13/05/2025G)	Promissory Note	Completed	Paid	259,279.84	-	259,279.84
20	Naseej International Trading Company	401014603038278	15/11/1446H (corresponding to 13/05/2025G)	Promissory Note	Completed	Paid	49,263.04	-	49,263.04
21	Naseej International Trading Company	401024702281649	19/10/1447H (corresponding to 07/04/2026G)	Judgment / Decision / Order issued by the Court	In Progress	Partial Payment	61,171.54	60,171.54	1,000
22	Naseej International Trading Company	401024702267629	14/10/1447H (corresponding to 02/04/2026G)	Judgment / Decision / Order issued by the Court	In Progress	Partial Payment	63,729	43,429.22	20,299.78
23	Naseej International Trading Company	401024702269995	12/10/1447H (corresponding to 31/03/2026G)	Judgment / Decision / Order issued by the Court	In Progress	Not Paid	178,088.36	178,088.36	-
24	Naseej International Trading Company	401024702267686	11/10/1447H (corresponding to 30/03/2026G)	Judgment / Decision / Order issued by the Court	In Progress	Not Paid	111,033.96	111,033.96	-
25	Naseej International Trading Company	401014704160016	11/10/1447H (corresponding to 30/03/2026G)	Promissory Note	In Progress	Weak Payment Against Debt	16,888	16,479	409
26	Naseej International Trading Company	401014704088836	13/09/1447H (corresponding to 02/03/2026G)	Promissory Note	In Progress	Partial Payment	134,848.89	131,508.32	3,340.57
27	Naseej International Trading Company	401014704089081	13/09/1447H (corresponding to 02/03/2026G)	Electronic Promissory Note	In Progress	Not Paid	185,888	184,888.33	999.67
28	Naseej International Trading Company	401014703965832	01/09/1447H (corresponding to 18/02/2026G)	Promissory Note	Under Review	Partial Payment	90,371	69,529.67	20,841.33
29	Naseej International Trading Company	401014704022989	22/08/1447H (corresponding to 10/02/2026G)	Promissory Note	In Progress	Partial Payment	23,073	21,573.12	1,499.88

Execution Respondent No	Enforcer	Execution Request Number	Execution Request Date	Type of Instrument	Request Status	Payment Status	Payment Amount (Saudi Riyals)	Remaining Amount (Saudi Riyals)	Paid Amount (Saudi Riyals)
30	Naseej International Trading Company	401014704089115	23/08/1447H (corresponding to 11/02/2026G)	Electronic Promissory Note	In Progress	Partial Payment	32,040	26,818.04	5,221.96
31	Naseej International Trading Company	401014703938272	22/08/1447H (corresponding to 10/02/2026G)	Promissory Note	In Progress	Not Paid	23,920.83	23,920.83	-
32	Naseej International Trading Company	401014703888290	17/07/1447H (corresponding to 06/01/2026G)	Promissory Note	In Progress	Partial Payment	137,459	42,155.76	95,303.24
33	Naseej International Trading Company	401014703839040	02/07/1447H (corresponding to 22/12/2025G)	Promissory Note	In Progress	Partial Payment	3,800	3,600	200
34	Naseej International Trading Company	401014703843862	16/07/1447H (corresponding to 05/01/2026G)	Promissory Note	In Progress	Partial Payment	127,190	126,190.41	999.59
35	Naseej International Trading Company	401014703843778	16/07/1447H (corresponding to 05/01/2026G)	Promissory Note	In Progress	Partial Payment	83,659	80,659.45	2,999.55
36	Naseej International Trading Company	401014703843713	16/07/1447H (corresponding to 05/01/2026G)	Promissory Note	In Progress	Partial Payment	93,159	67,875.51	25,283.49
37	Naseej International Trading Company	401014703843361	16/07/1447H (corresponding to 05/01/2026G)	Promissory Note	In Progress	Partial Payment	79,159	48,670.10	30,488.90
38	Naseej International Trading Company	401014703843544	16/07/1447H (corresponding to 05/01/2026G)	Promissory Note	Postponed	Partial Payment	67,825	22,233.19	45,591.81
39	Naseej International Trading Company	401014703965640	28/08/1447H (corresponding to 16/02/2026G)	Promissory Note	In Progress	Partial Payment	85,764	65,764.04	19,999.96
40	Naseej International Trading Company	401014704040169	28/08/1447H (corresponding to 16/02/2026G)	Promissory Note	In Progress	Partial Payment	41,655.81	39,567.03	2,088.78
41	Naseej International Trading Company	401014703883879	16/07/1447H (corresponding to 05/01/2026G)	Promissory Note	In Progress	Partial Payment	53,598	52,598.39	999.61

Execution Respondent No	Enforcer	Execution Request Number	Execution Request Date	Type of Instrument	Request Status	Payment Status	Payment Amount (Saudi Riyals)	Remaining Amount (Saudi Riyals)	Paid Amount (Saudi Riyals)
42	Naseej International Trading Company	401014703665002	13/05/1447H (corresponding to 04/11/2025G)	Promissory Note	In Progress	Partial Payment	37,590	28,089.52	9,500.48
43	Naseej International Trading Company	401014703644882	07/05/1447H (corresponding to 29/10/2025G)	Promissory Note	In Progress	Partial Payment	57,829.71	26,671.11	31,158.60
44	Naseej International Trading Company	401014703589505	22/04/1447H (corresponding to 14/10/2025G)	Promissory Note	In Progress	Partial Payment	25,280	19,780.09	5,499.91
45	Naseej International Trading Company	401014703594589	07/05/1447H (corresponding to 29/10/2025G)	Promissory Note	In Progress	Partial Payment	28,077	22,467.80	5,609.20
46	Naseej International Trading Company	401014703644604	07/05/1447H (corresponding to 29/10/2025G)	Promissory Note	Postponed	Partial Payment	87,791	29,719.02	58,071.98
47	Naseej International Trading Company	401014703541755	20/04/1447H (corresponding to 12/10/2025G)	Promissory Note	Postponed	Partial Payment	135,333	58,760.02	76,572.98
48	Naseej International Trading Company	401014703402847	20/02/1447H (corresponding to 14/08/2025G)	Promissory Note	Postponed	Partial Payment	130,899.75	51,229.75	79,670
49	Naseej International Trading Company	401014703395711	10/03/1447H (corresponding to 02/09/2025G)	Promissory Note	In Progress	Partial Payment	48,408	34,837.44	13,570.56
50	Naseej International Trading Company	401014703327864	29/01/1447H (corresponding to 24/07/2025G)	Promissory Note	In Progress	Not Paid	33,905.88	33,905.88	-
51	Naseej International Trading Company	401014703309990	25/01/1447H (corresponding to 20/07/2025G)	Promissory Note	In Progress	Partial Payment	100,523.08	5,475.85	95,047.23
52	Naseej International Trading Company	401014603176008	22/11/1446H (corresponding to 20/05/2025G)	Promissory Note	Postponed – Scheduling Exists	Partial Payment	148,174	114,964	33,210
53	Naseej International Trading Company	401014603176261	22/11/1446H (corresponding to 20/05/2025G)	Promissory Note	Postponed	Partial Payment	94,594.66	68,968.76	25,625.90

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54	Naseej International Trading Company	401014703665186	13/05/1447H (corresponding to 04/11/2025G)	Promissory Note	In Progress	Not Paid	74,697.20	74,697.20	-
55	Naseej International Trading Company	401014603017273	16/10/1446H (corresponding to 14/04/2025G)	Promissory Note	In Progress	Partial Payment	161,316.89	159,841.78	1,475.11
56	Naseej International Trading Company	401014602892504	18/08/1446H (corresponding to 17/02/2025G)	Promissory Note	In Progress	Partial Payment	113,472.16	82,372.16	31,100
57	Naseej International Trading Company	401014602822501	17/08/1446H (corresponding to 16/02/2025G)	Promissory Note	In Progress	Partial Payment	200,000	8,247.12	191,752.88
58	Naseej International Trading Company	401014602622798	24/05/1446H (corresponding to 26/11/2024G)	Promissory Note	In Progress	Partial Payment	72,794	70,414.15	2,379.85
59	Naseej International Trading Company	401024601643240	09/05/1446H (corresponding to 11/11/2024G)	Judgment / Decision / Order issued by the Court	In Progress	Partial Payment	125,325.67	21,999.67	103,326
60	Naseej International Trading Company	401014602562105	02/05/1446H (corresponding to 04/11/2024G)	Promissory Note	In Progress	Partial Payment	60,000	53,810.07	6,189.93
61	Naseej International Trading Company	401024601631535	28/04/1446H (corresponding to 31/10/2024G)	Judgment / Decision / Order issued by the Court	In Progress	Partial Payment	154,476.92	126,193.78	28,283.14
62	Naseej International Trading Company	401014602503925	12/04/1446H (corresponding to 15/10/2024G)	Promissory Note	In Progress	Partial Payment	57,500	12,087.99	45,412.01
63	Naseej International Trading Company	401014602442727	22/03/1446H (corresponding to 25/09/2024G)	Promissory Note	In Progress	Not Paid	121,003.98	121,003.98	-
64	Naseej International Trading Company	401024601588331	21/03/1446H (corresponding to 24/09/2024G)	Judgment / Decision / Order issued by the Court	In Progress	Partial Payment	122,440.10	104,440.10	18,000
65	Naseej International Trading Company	401014602346271	18/02/1446H (corresponding to 22/08/2024G)	Promissory Note	In Progress	Not Paid	27,475.70	27,475.70	-

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66	Naseej International Trading Company	401014602342664	17/02/1446H (corresponding to 21/08/2024G)	Promissory Note	In Progress	Partial Payment	55,667	53,877.90	1,789.10
67	Naseej International Trading Company	401014602342602	17/02/1446H (corresponding to 21/08/2024G)	Promissory Note	In Progress	Partial Payment	18,793.03	8,293.30	10,499.73
68	Naseej International Trading Company	401014602342553	17/02/1446H (corresponding to 21/08/2024G)	Promissory Note	In Progress	Not Paid	34,633.05	34,633.05	-
69	Naseej International Trading Company	401014602342441	17/02/1446H (corresponding to 21/08/2024G)	Promissory Note	In Progress	Not Paid	82,819.72	82,819.72	-
70	Naseej International Trading Company	401014602255001	12/01/1445H (corresponding to 30/07/2023G)	Promissory Note	In Progress	Partial Payment	34,733	21,350	13,383
71	Naseej International Trading Company	401014502206451	25/12/1445H (corresponding to 01/07/2024G)	Promissory Note	In Progress	Not Paid	11,591.43	11,591.43	-
72	Naseej International Trading Company	401014502203101	24/12/1445H (corresponding to 30/06/2024G)	Promissory Note	In Progress	Partial Payment	69,290.48	61,930.48	7,360
73	Naseej International Trading Company	401014502185874	18/12/1445H (corresponding to 24/06/2024G)	Judgment / Decision / Order issued by the Court	In Progress	Partial Payment	99,197.09	98,197.09	1,000
74	Naseej International Trading Company	401014502157844	26/11/1445H (corresponding to 03/06/2024G)	Promissory Note	In Progress	Not Paid	200,000	200,000	-
75	Naseej International Trading Company	401014502155341	25/11/1445H (corresponding to 02/06/2024G)	Promissory Note	In Progress	Partial Payment	15,822	12,583.13	3,238.87
76	Naseej International Trading Company	401014502154817	25/11/1445H (corresponding to 02/06/2024G)	Promissory Note	In Progress	Partial Payment	149,839.61	29,427.63	120,411.98
77	Naseej International Trading Company	401014502132619	15/11/1445H (corresponding to 23/05/2024G)	Promissory Note	In Progress	Not Paid	63,163.59	63,163.59	-

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78	Naseej International Trading Company	401014502100829	05/11/1445H (corresponding to 03/05/2024G)	Promissory Note	In Progress	Partial Payment	300,000	276,837.15	23,162.85
79	Naseej International Trading Company	401024501445746	21/10/1445H (corresponding to 30/04/2024G)	Judgment / Decision / Order issued by the Court	In Progress	Partial Payment	93,911.71	28,718.35	65,193.36
80	Naseej International Trading Company	401014502052080	16/10/1446H (corresponding to 25/04/2024G)	Promissory Note	In Progress	Not Paid	43,965.17	43,965.17	-
81	Naseej International Trading Company	401014502051541	16/10/1446H (corresponding to 25/04/2024G)	Promissory Note	In Progress	Partial Payment	130,796	95,432.44	35,363.56
82	Naseej International Trading Company	401014502051642	16/10/1446H (corresponding to 25/04/2024G)	Promissory Note	In Progress	Not Paid	46,316	46,316	-
83	Naseej International Trading Company	401014502051612	16/10/1446H (corresponding to 25/04/2024G)	Promissory Note	In Progress	Not Paid	100,000	100,000	-
84	Naseej International Trading Company	401024501440359	16/10/1446H (corresponding to 25/04/2024G)	Judgment / Decision / Order issued by the Court	In Progress	Partial Payment	64,893.21	64,638.17	255.04
85	Naseej International Trading Company	401014502049281	15/10/1446H (corresponding to 24/04/2024G)	Promissory Note	In Progress	Not Paid	117,231.20	117,231.20	-
86	Naseej International Trading Company	401014502048174	15/10/1446H (corresponding to 24/04/2024G)	Promissory Note	In Progress	Partial Payment	101,231.91	98,231.91	3,000
87	Naseej International Trading Company	401014502048140	15/10/1446H (corresponding to 24/04/2024G)	Promissory Note	In Progress	Partial Payment	75,187.20	72,187.20	3,000
88	Naseej International Trading Company	401014502047931	15/10/1446H (corresponding to 24/04/2024G)	Promissory Note	In Progress	Partial Payment	65,982.41	60,838.25	5,144.16
89	Naseej International Trading Company	401014502033447	09/10/1446H (corresponding to 18/04/2024G)	Promissory Note	In Progress	Not Paid	104,956.64	104,956.64	-

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90	Naseej International Trading Company	401014502029272	07/10/1445H (corresponding to 16/04/2024G)	Promissory Note	In Progress	Partial Payment	56,340.45	51,283.55	5,056.90
91	Naseej International Trading Company	401024501401231	01/09/1445H (corresponding to 11/03/2024G)	Judgment / Decision / Order issued by the Court	In Progress	Not Paid	143,791.64	143,791.64	-
92	Naseej International Trading Company	401014501965394	24/08/1445H (corresponding to 05/03/2024G)	Promissory Note	In Progress	Partial Payment	145,161.99	145,161.99	-
93	Naseej International Trading Company	401014501881113	13/07/1445H (corresponding to 25/01/2024G)	Promissory Note	In Progress	Not Paid	38,654.57	38,654.57	-
94	Naseej International Trading Company	401054500764473	04/07/1445H (corresponding to 16/01/2024G)	Reconciliation Minutes issued by an authorized entity	In Progress	Not Paid	78,758	78,758	-
95	Naseej International Trading Company	401014501862324	04/07/1445H (corresponding to 16/01/2024G)	Promissory Note	In Progress	Partial Payment	21,155	21,155	-
96	Naseej International Trading Company	401014501771699	15/05/1445H (corresponding to 29/11/2023G)	Promissory Note	In Progress	Partial Payment	70,835	68,835.60	1,999.40
97	Naseej International Trading Company	401014501766166	13/05/1445H (corresponding to 27/11/2023G)	Promissory Note	In Progress	Not Paid	37,017.52	37,017.52	-
98	Naseej International Trading Company	401014501757233	08/05/1445H (corresponding to 22/11/2023G)	Promissory Note	In Progress	Partial Payment	75,692.22	75,519.89	172.33
99	Naseej International Trading Company	401014501755980	07/05/1445H (corresponding to 21/11/2023G)	Promissory Note	In Progress	Not Paid	164,500	164,500	-
100	Naseej International Trading Company	401014401471831	21/12/1444H (corresponding to 09/07/2023G)	Promissory Note	In Progress	Not Paid	139,905.74	139,905.74	-
101	Naseej International Trading Company	401014501732135	25/04/1445H (corresponding to 09/11/2023G)	Promissory Note	In Progress	Partial Payment	100,000	34,817.01	65,182.99

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102	Naseej International Trading Company	401014300372619	06/08/1443H (corresponding to 09/03/2022G)	Promissory Note	In Progress	Partial Payment	413,500.02	323,453.20	90,046.82
103	Naseej International Trading Company	401024501233248	04/04/1445H (corresponding to 19/10/2023G)	Judgment / Decision / Order issued by the Court	In Progress	Not Paid	84,576.34	84,576.34	-
104	Naseej International Trading Company	401024501198353	27/02/1445H (corresponding to 12/09/2023G)	Judgment / Decision / Order issued by the Court	In Progress	Not Paid	27,518.38	27,518.38	-
105	Naseej International Trading Company	401014401474115	01/01/1445H (corresponding to 19/07/2023G)	Promissory Note	In Progress	Not Paid	13,517.29	13,517.29	-
106	Naseej International Trading Company	401014401477412	24/12/1444H (corresponding to 12/07/2023G)	Promissory Note	In Progress	Partial Payment	67,198.71	66,881.59	317.12
107	Naseej International Trading Company	401014401467269	18/12/1444H (corresponding to 06/07/2023G)	Promissory Note	In Progress	Not Paid	52,929.67	52,929.67	-
108	Naseej International Trading Company	401014401464888	17/12/1444H (corresponding to 05/07/2023G)	Promissory Note	In Progress	Partial Payment	38,643.52	38,198.24	445.28
109	Naseej International Trading Company	401024401086955	28/10/1444H (corresponding to 18/05/2023G)	Judgment / Decision / Order issued by the Court	In Progress	Not Paid	1,287,251.25	1,287,251.25	-
110	Naseej International Trading Company	401024400995507	17/07/1444H (corresponding to 08/02/2023G)	Judgment / Decision / Order issued by the Court	In Progress	Not Paid	299,018.63	299,018.63	-
111	Naseej International Trading Company	401024400941248	27/05/1444H (corresponding to 21/12/2022G)	Judgment / Decision / Order issued by the Court	In Progress	Not Paid	50,840.78	50,840.78	-
112	Naseej International Trading Company	401024400842131	24/02/1444H (corresponding to 20/09/2022G)	Judgment / Decision / Order issued by the Court	In Progress	Not Paid	334,355.58	334,355.58	-
113	Naseej International Trading Company	401024300749121	13/11/1443H (corresponding to 12/06/2022G)	Judgment / Decision / Order issued by the Court	In Progress	Weak Payment Against Debt	510,464.89	508,899.57	1,565.32

Execution Respondent No	Enforcer	Execution Request Number	Execution Request Date	Type of Instrument	Request Status	Payment Status	Payment Amount (Saudi Riyals)	Remaining Amount (Saudi Riyals)	Paid Amount (Saudi Riyals)
114	Naseej International Trading Company	401014300429080	10/09/1443H (corresponding to 11/04/2022G)	Promissory Note	In Progress	Not Paid	19,943.80	19,943.80	-
115	Naseej International Trading Company	401014300429106	09/09/1443H (corresponding to 10/04/2022G)	Promissory Note	In Progress	Not Paid	17,376.58	17,376.58	-
116	Naseej International Trading Company	401014300426190	09/09/1443H (corresponding to 10/04/2022G)	Promissory Note	In Progress	Not Paid	32,722.30	32,722.30	-
117	Naseej International Trading Company	401014300426372	06/09/1443H (corresponding to 07/04/2022G)	Promissory Note	In Progress	Not Paid	28,369.71	28,369.71	-
118	Naseej International Trading Company	401014300426064	06/09/1443H (corresponding to 07/04/2022G)	Promissory Note	In Progress	Not Paid	57,090	57,090	-
119	Naseej International Trading Company	401014300426031	06/09/1443H (corresponding to 07/04/2022G)	Promissory Note	Postponed	Partial Payment	31,564.99	23,572.32	7,992.67
120	Naseej International Trading Company	401014300412704	26/08/1443H (corresponding to 29/03/2022G)	Promissory Note	In Progress	Not Paid	59,833.01	59,833.01	-
121	Naseej International Trading Company	401014300412678	26/08/1443H (corresponding to 29/03/2022G)	Promissory Note	Postponed	Partial Payment	12,614.03	12,614.03	-
122	Naseej International Trading Company	401014300354081	11/08/1443H (corresponding to 14/03/2022G)	Promissory Note	In Progress	Partial Payment	147,090.41	145,004.41	2,086
123	Naseej International Trading Company	401014300353567	11/08/1443H (corresponding to 14/03/2022G)	Promissory Note	In Progress	Not Paid	22,952.40	22,952.40	-
124	Naseej International Trading Company	401014300352217	08/08/1443H (corresponding to 11/03/2022G)	Promissory Note	In Progress	Partial Payment	73,380.95	72,293.12	1,087.83
125	Naseej International Trading Company	401014300358807	04/08/1443H (corresponding to 07/03/2022G)	Promissory Note	In Progress	Not Paid	12,035.71	12,035.71	-

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126	Naseej International Trading Company	401014300135963	28/03/1443H (corresponding to 03/11/2021G)	Promissory Note	In Progress	Not Paid	53,431.06	53,431.06	-
127	Naseej International Trading Company	401014300412873	26/08/1443H (corresponding to 29/03/2022G)	Promissory Note	In Progress	Not Paid	41,664.07	41,664.07	-
128	Naseej International Trading Company	401014300046044	02/02/1443H (corresponding to 09/09/2021G)	Promissory Note	In Progress	Not Paid	42,590.91	42,590.91	-
129	Naseej International Trading Company	401014300045808	02/02/1443H (corresponding to 09/09/2021G)	Promissory Note	In Progress	Not Paid	53,496.66	53,496.66	-
130	Naseej International Trading Company	401014300044700	01/02/1443H (corresponding to 08/09/2021G)	Promissory Note	In Progress	Not Paid	22,545.09	22,545.09	-
131	Naseej International Trading Company	401014300034924	24/01/1443H (corresponding to 01/09/2021G)	Promissory Note	In Progress	Partial Payment	314,723.92	190,555.83	124,168.09
132	Naseej International Trading Company	430157827	21/01/1443H (corresponding to 29/08/2021G)	Promissory Note	In Progress	Not Paid	977,822.14	977,822.14	-
133	Naseej International Trading Company	401014300349323	29/07/1443H (corresponding to 02/03/2022G)	Promissory Note	In Progress	Partial Payment	284,819.45	284,500.15	319.30
134	Naseej International Trading Company	401014300135894	28/03/1443H (corresponding to 03/11/2021G)	Promissory Note	In Progress	Not Paid	28,157.86	28,157.86	-
135	Naseej International Trading Company	401014300373589	11/08/1443H (corresponding to 14/03/2022G)	Promissory Note	In Progress	Partial Payment	250,000	83,903.76	166,096.24
136	Naseej International Trading Company	401014300045845	02/02/1443H (corresponding to 09/09/2021G)	Promissory Note	In Progress	Not Paid	51,840.62	51,840.62	-
137	Naseej International Trading Company	401014401289554	27/08/1444H (corresponding to 19/03/2023G)	Promissory Note	In Progress	Partial Payment	1,360,512.63	1,344,767.17	15,745.46

Execution Respondent No	Enforcer	Execution Request Number	Execution Request Date	Type of Instrument	Request Status	Payment Status	Payment Amount (Saudi Riyals)	Remaining Amount (Saudi Riyals)	Paid Amount (Saudi Riyals)
138	Naseej International Trading Company	401024200063130	12/01/1442H (corresponding to 31/08/2020G)	Judgment / Decision / Order issued by the Court	In Progress	Not Paid	300,000	300,000	-
139	Naseej International Trading Company	401014703965995	23/08/1447H (corresponding to 11/02/2026G)	Promissory Note	In Progress	Partial Payment	33,108	25,427.82	7,680.18
140	Naseej International Trading Company	401014704039826	28/08/1447H (corresponding to 16/02/2026G)	Promissory Note	In Progress	Partial Payment	41,655.81	6,677.18	34,978.63
141	Naseej International Trading Company	401014502049403	15/10/1445H (corresponding to 24/04/2024G)	Promissory Note	Postponed	Partial Payment	70,000	43,840.06	26,159.94
142	Naseej International Trading Company	401014502049220	15/10/1445H (corresponding to 24/04/2024G)	Promissory Note	In Progress	Not Paid	116,249.55	116,249.55	-
143	Naseej International Trading Company	401014501686839	04/04/1445H (corresponding to 19/10/2023G)	Promissory Note	In Progress	Partial Payment	1,227,343.02	1,218,413.02	8,930
144	Naseej International Trading Company	4140415743	04/04/1441H (corresponding to 01/12/2019G)	Promissory Note	In Progress	Partial Payment	300,000	166,945.38	133,054.62
145	Naseej International Trading Company	4140432841	07/04/1441H (corresponding to 04/12/2019G)	Promissory Note	In Progress	Not Paid	100,321.19	100,321.19	-
146	Naseej International Trading Company	4140783093	30/06/1441H (corresponding to 24/02/2020G)	Promissory Note	In Progress	Not Paid	21,793.71	21,793.71	-
147	Naseej International Trading Company	4140651399	28/05/1441H (corresponding to 23/01/2020G)	Promissory Note	In Progress	Not Paid	21,400.43	21,400.43	-
148	Naseej International Trading Company	4140651342	28/05/1441H (corresponding to 23/01/2020G)	Promissory Note	In Progress	Not Paid	8,017.73	8,017.73	-
149	Naseej International Trading Company	4140487435	19/04/1441H (corresponding to 16/12/2019G)	Promissory Note	In Progress	Partial Payment	120,000	1,504.57	118,495.43

Execution Respondent No	Enforcer	Execution Request Number	Execution Request Date	Type of Instrument	Request Status	Payment Status	Payment Amount (Saudi Riyals)	Remaining Amount (Saudi Riyals)	Paid Amount (Saudi Riyals)
150	Naseej International Trading Company	4140587072	12/05/1441H (corresponding to 07/01/2020G)	Promissory Note	In Progress	Not Paid	12,058.10	12,058.10	-
151	Naseej International Trading Company	4140820861	01/08/1441H (corresponding to 25/03/2020G)	Promissory Note	In Progress	Partial Payment	1,000,000	460,500.49	539,499.51
152	Naseej International Trading Company	4140564389	06/05/1441H (corresponding to 01/01/2020G)	Promissory Note	In Progress	Not Paid	331,765.74	331,765.74	-
153	Naseej International Trading Company	4140513190	26/04/1441H (corresponding to 23/12/2019G)	Promissory Note	In Progress	Not Paid	85,623.01	85,623.01	-
154	Naseej International Trading Company	4140499001	25/04/1441H (corresponding to 22/12/2019G)	Promissory Note	In Progress	Not Paid	16,181.18	16,181.18	-
155	Naseej International Trading Company	4140510240	25/04/1441H (corresponding to 22/12/2019G)	Promissory Note	In Progress	Not Paid	13,050.64	13,050.64	-
156	Naseej International Trading Company	4140494248	21/04/1441H (corresponding to 18/12/2019G)	Promissory Note	In Progress	Not Paid	78,527.51	78,527.51	-
157	Naseej International Trading Company	4140432959	07/04/1441H (corresponding to 04/12/2019G)	Promissory Note	In Progress	Not Paid	7,001.99	7,001.99	-
158	Naseej International Trading Company	4140457624	12/04/1441H (corresponding to 09/12/2019G)	Promissory Note	In Progress	Not Paid	8,712.72	8,712.72	-
159	Naseej International Trading Company	4140454672	12/04/1441H (corresponding to 09/12/2019G)	Promissory Note	In Progress	Not Paid	22,895	22,895	-
160	Naseej International Trading Company	4140390136	28/03/1441H (corresponding to 25/11/2019G)	Promissory Note	In Progress	Partial Payment	63,149	57,095.59	6,053.41
161	Naseej International Trading Company	4000989912	03/07/1440H (corresponding to 10/03/2019G)	Promissory Note	In Progress	Not Paid	46,296.30	46,296.30	-

Execution Respondent No	Enforcer	Execution Request Number	Execution Request Date	Type of Instrument	Request Status	Payment Status	Payment Amount (Saudi Riyals)	Remaining Amount (Saudi Riyals)	Paid Amount (Saudi Riyals)
162	Naseej International Trading Company	4140576266	10/05/1441H (corresponding to 05/01/2020G)	Promissory Note	In Progress	Not Paid	100,154.44	100,154.44	-
163	Naseej International Trading Company	4140567004	07/05/1441H (corresponding to 02/01/2020G)	Promissory Note	In Progress	Not Paid	656,319.79	656,319.79	-
164	Naseej International Trading Company	4140434057	07/04/1441H (corresponding to 04/12/2019G)	Promissory Note	In Progress	Not Paid	413,943.98	413,943.98	-
165	Naseej International Trading Company	4140429715	06/04/1441H (corresponding to 03/12/2019G)	Promissory Note	In Progress	Not Paid	71,655.63	71,655.63	-
166	Naseej International Trading Company	4140422977	05/04/1441H (corresponding to 02/12/2019G)	Promissory Note	In Progress	Not Paid	53,541.48	53,541.48	-
167	Naseej International Trading Company	4140422661	05/04/1441H (corresponding to 02/12/2019G)	Promissory Note	In Progress	Partial Payment	68,530.79	68,464.75	66.04
168	Naseej International Trading Company	4140452907	12/04/1441H (corresponding to 09/12/2019G)	Promissory Note	In Progress	Partial Payment	43,280.76	43,276.46	4.30
169	Naseej International Trading Company	4140407371	01/04/1441H (corresponding to 28/11/2019G)	Promissory Note	In Progress	Not Paid	37,018.91	37,018.91	-
170	Naseej International Trading Company	4140406778	01/04/1441H (corresponding to 28/11/2019G)	Promissory Note	In Progress	Not Paid	3,945.40	3,945.40	-
171	Naseej International Trading Company	4140403284	30/03/1441H (corresponding to 27/11/2019G)	Promissory Note	In Progress	Not Paid	40,982.11	40,982.11	-
172	Naseej International Trading Company	4140403222	30/03/1441H (corresponding to 27/11/2019G)	Promissory Note	In Progress	Not Paid	19,375.32	19,375.32	-
173	Naseej International Trading Company	4140493320	20/04/1441H (corresponding to 17/12/2019G)	Promissory Note	In Progress	Partial Payment	80,000	72,615.83	7,384.17

Execution Respondent No	Enforcer	Execution Request Number	Execution Request Date	Type of Instrument	Request Status	Payment Status	Payment Amount (Saudi Riyals)	Remaining Amount (Saudi Riyals)	Paid Amount (Saudi Riyals)
174	Naseej International Trading Company	4140407543	01/04/1441H (corresponding to 28/01/2019G)	Promissory Note	In Progress	Partial Payment	20,592	720.71	19,871.29
175	Naseej International Trading Company	4140401187	30/03/1441H (corresponding to 27/11/2019G)	Promissory Note	In Progress	Not Paid	32,831.50	32,831.50	-
176	Naseej International Trading Company	4140400952	30/03/1441H (corresponding to 27/11/2019G)	Promissory Note	In Progress	Partial Payment	50,000.51	49,680.32	320.19
177	Naseej International Trading Company	4140398639	29/03/1441H (corresponding to 26/11/2019G)	Promissory Note	In Progress	Partial Payment	59,864.77	56,946.68	2,918.09
178	Naseej International Trading Company	4140391179	28/03/1441H (corresponding to 25/11/2019G)	Promissory Note	In Progress	Not Paid	10,932.80	10,932.80	-
179	Naseej International Trading Company	4140456649	12/04/1441H (corresponding to 09/12/2019G)	Promissory Note	In Progress	Partial Payment	130,000	42,660.97	87,339.03
180	Naseej International Trading Company	4140389971	28/03/1441H (corresponding to 25/11/2019G)	Promissory Note	In Progress	Not Paid	25,012.45	25,012.45	-
181	Naseej International Trading Company	4140389907	28/03/1441H (corresponding to 25/11/2019G)	Promissory Note	In Progress	Not Paid	24,480.36	24,480.36	-
182	Naseej International Trading Company	4140379171	24/03/1441H (corresponding to 21/11/2019G)	Promissory Note	In Progress	Not Paid	307,489.59	307,489.59	-
183	Naseej International Trading Company	4140379048	24/03/1441H (corresponding to 21/11/2019G)	Promissory Note	In Progress	Partial Payment	118,463.97	108,453.97	10,010.00
184	Naseej International Trading Company	4140378865	24/03/1441H (corresponding to 21/11/2019G)	Promissory Note	In Progress	Not Paid	39,983.10	39,983.10	-
185	Naseej International Trading Company	4041363801	17/09/1440H (corresponding to 22/05/2019G)	Promissory Note	In Progress	Not Paid	13,424.49	13,424.49	-

Execution Respondent No	Enforcer	Execution Request Number	Execution Request Date	Type of Instrument	Request Status	Payment Status	Payment Amount (Saudi Riyals)	Remaining Amount (Saudi Riyals)	Paid Amount (Saudi Riyals)
186	Naseej International Trading Company	4001164207	04/08/1440H (corresponding to 09/04/2019G)	Promissory Note	In Progress	Not Paid	23,275.90	23,275.90	-
187	Naseej International Trading Company	4001164144	04/08/1440H (corresponding to 09/04/2019G)	Promissory Note	In Progress	Partial Payment	25,753.90	9,228.68	16,525.22
188	Naseej International Trading Company	4001098760	21/07/1440H (corresponding to 28/03/2019G)	Promissory Note	In Progress	Not Paid	28,500.00	28,500.00	-
189	Naseej International Trading Company	4001092295	20/07/1440H (corresponding to 27/03/2019G)	Promissory Note	In Progress	Not Paid	49,599.01	49,599.01	-
190	Naseej International Trading Company	4001071522	17/07/1440H (corresponding to 24/03/2019G)	Promissory Note	In Progress	Not Paid	55,988.22	55,988.22	-
191	Naseej International Trading Company	4001071464	17/07/1440H (corresponding to 24/03/2019G)	Promissory Note	In Progress	Not Paid	44,300.00	44,300.00	-
192	Naseej International Trading Company	4001071126	17/07/1440H (corresponding to 24/03/2019G)	Promissory Note	In Progress	Not Paid	20,314.05	20,314.05	-
193	Naseej International Trading Company	4001006078	05/07/1440H (corresponding to 12/03/2019G)	Promissory Note	In Progress	Not Paid	32,117.20	32,117.20	-
194	Naseej International Trading Company	4000806355	30/05/1440H (corresponding to 05/02/2019G)	Promissory Note	In Progress	Not Paid	58,803.85	58,803.85	-
195	Naseej International Trading Company	4000758175	22/05/1440H (corresponding to 28/01/2019G)	Promissory Note	In Progress	Not Paid	50,938.46	50,938.46	-
196	Naseej International Trading Company	4000753211	21/05/1440H (corresponding to 28/01/2019G)	Promissory Note	In Progress	Not Paid	76,486.11	76,486.11	-
197	Naseej International Trading Company	4000753086	21/05/1440H (corresponding to 28/01/2019G)	Promissory Note	In Progress	Not Paid	210,755.25	210,755.25	-

Execution Respondent No	Enforcer	Execution Request Number	Execution Request Date	Type of Instrument	Request Status	Payment Status	Payment Amount (Saudi Riyals)	Remaining Amount (Saudi Riyals)	Paid Amount (Saudi Riyals)
198	Naseej International Trading Company	4000681619	08/05/1440H (corresponding to 14/01/2019G)	Promissory Note	In Progress	Not Paid	94,195.29	94,195.29	-
199	Naseej International Trading Company	3901225216	06/11/1439H (corresponding to 19/07/2018G)	Promissory Note	In Progress	Partial Payment	148,239.44	140,350.07	7,889.37
200	Naseej International Trading Company	4140493885	21/04/1441H (corresponding to 18/12/2019G)	Promissory Note	In Progress	Partial Payment	120,000.00	80,518.93	39,481.07
201	Naseej International Trading Company	3900569923	05/06/1439H (corresponding to 21/02/2018G)	Promissory Note	In Progress	Not Paid	78,025.00	78,025.00	-
202	Naseej International Trading Company	3900568131	05/06/1439H (corresponding to 21/02/2018G)	Promissory Note	In Progress	Partial Payment	203,371.00	81,944.72	121,426.28
203	Naseej International Trading Company	3900508076	22/05/1439H (corresponding to 08/02/2018G)	Promissory Note	In Progress	Not Paid	161,822.80	161,822.80	-
204	Naseej International Trading Company	3900403517	05/05/1439H (corresponding to 22/01/2018G)	Promissory Note	In Progress	Not Paid	86,966.99	86,966.99	-
205	Naseej International Trading Company	3900403379	05/05/1439H (corresponding to 22/01/2018G)	Promissory Note	In Progress	Partial Payment	140,825.97	134,592.91	6,233.06
206	Naseej International Trading Company	3900420083	29/04/1439H (corresponding to 11/01/2018G)	Promissory Note	In Progress	Not Paid	48,413.08	48,413.08	-
207	Naseej International Trading Company	3900403452	23/04/1439H (corresponding to 10/01/2018G)	Promissory Note	In Progress	Partial Payment	125,392.89	121,618.04	3,774.85
208	Naseej International Trading Company	380172784	04/05/1438H (corresponding to 01/02/2017G)	Promissory Note	In Progress	Not Paid	34,353.93	34,353.93	-
209	Naseej International Trading Company	380003576	03/01/1438H (corresponding to 04/10/2016G)	Promissory Note	In Progress	Partial Payment	1,010,964.42	1,010,099.81	864.61

Execution Respondent No	Enforcer	Execution Request Number	Execution Request Date	Type of Instrument	Request Status	Payment Status	Payment Amount (Saudi Riyals)	Remaining Amount (Saudi Riyals)	Paid Amount (Saudi Riyals)
210	Naseej International Trading Company	370102272	28/05/1437H (corresponding to 08/03/2016G)	Promissory Note	In Progress	Not Paid	212,818.47	212,818.47	-
211	Naseej International Trading Company	350053033	21/07/1435H (corresponding to 20/05/2014G)	Promissory Note	In Progress	Partial Payment	529,491.00	164,870.23	364,620.77
212	Naseej International Trading Company	4140397864	29/03/1441H (corresponding to 26/11/2019G)	Promissory Note	In Progress	Not Paid	89,699.91	89,699.91	-
213	Naseej International Trading Company	4000753352	21/05/1440H (corresponding to 27/01/2019G)	Promissory Note	In Progress	Not Paid	64,900.19	64,900.19	-
Total							**25,944,933.86**	**21,057,057.80**	**4,887,876.06**

Source: The Company

The execution requests shown in the above table as of the date of this Prospectus are execution requests submitted by the Company in its capacity as (Enforcer), totaling (213) requests with a total value of (25,944,933.86) Saudi Riyals, of which (19) requests with a total value of (1,410,189.72) Saudi Riyals have been paid in full. The number of execution requests still pending amounts to (194) requests with a total value of (24,534,744.14) Saudi Riyals, of which partial amounts totaling (3,419,614) Saudi Riyals have been collected, and an amount of (21,057,057.80) Saudi Riyals remains unpaid.

9-11 Material information that has changed since the Authority's approval of the latest prospectus

The following is a summary of the most significant information that has changed since the Authority's approval of the latest prospectus, which was issued on 30/04/1445H (corresponding to 14/11/2023G):

- **Board of Directors and its Committees:** The Board of Directors was elected for the current term, which commenced on 10/01/1446H (corresponding to 16/07/2024G) and ends on 22/02/1450H (corresponding to 15/07/2028G). The committees emanating from the Board have also been reconstituted accordingly.
- **Capital Increase:** The (Extraordinary) General Assembly of Shareholders held on 25/06/1445H (corresponding to 07/01/2024G) did not approve the Board of Directors' recommendation to increase the Company's capital by an amount of (163,459,510) Saudi Riyals through the offering of preemptive rights shares.
- **Bylaws:** The Company's Bylaws have been amended to comply with the Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443H (corresponding to 30/06/2022G), and the articles have been rearranged and renumbered to align with the proposed amendments pursuant to electronic version No. (1) of the Bylaws registered with the Ministry of Commerce under application No. (674793), based on the approval of the Extraordinary General Assembly dated 25/08/1445H (corresponding to 06/03/2024G).
- **Accumulated Losses:** The accumulated losses increased from 0% to 64% of the Company's capital.

9-12 Declarations of the Board Members

In addition to the other declarations referred to in this prospectus, the members of the Board of Directors hereby declare the following:

A. The issuance does not contravene the relevant laws and regulations in the Kingdom of Saudi Arabia.

B. The issuance does not breach any of the contracts or agreements to which the Issuer is a party.

C. All material legal information relating to the Issuer has been disclosed in the prospectus.

D. Except as stated on page (173), **sub-paragraph (9.10) "Disputes and Lawsuits" of this prospectus**, the Issuer and its subsidiaries are not subject to any lawsuits or legal proceedings that could, individually or collectively, have a material effect on the Issuer's or its subsidiaries' business or financial position.

E. The members of the issuer's board of directors are not subject to any claims or legal proceedings which, individually or collectively, could materially affect the business of the issuer or its subsidiaries or its financial position.

10

Underwriter

10- Underwriter

The Company and the underwriter (Al Wasatah Al Maliah Company ("Wasatah Capital")) have entered into an underwriting agreement for sixteen million, three hundred and forty-five thousand, nine hundred and fifty-one (16,345,951) ordinary shares at a price of ten (10) Saudi Riyals per share, with a total value of one hundred and sixty-three million, four hundred and fifty-nine thousand, five hundred and ten (163,459,510) Saudi Riyals, representing (100%) of the Preemptive Rights Shares offered for subscription ("the Underwriting Agreement").

10-1 Underwriter

Al Wasatah Al Maliah Company (Wasatah Capital)

Riyadh – Al Olaya Street, Al Muruj District
Building No. 7459, Ext. No. 2207
Postcode 12283
Kingdom of Saudi Arabia
Tel: +966 11 4944067
Fax: +966 11 4944205
Website: **www.wasatah.com.sa**
Email: **info@wasatah.com.sa**

wasatah capital
وساطة كابيتال

10-2 Summary of the Underwriting Agreement

According to the terms and conditions of the underwriting agreement, it follows:

1. The Company undertakes to the underwriter that on the allocation date it will issue and allocate to the underwriters all Preemptive Rights Shares covered by the underwriting in this subscription that have not been subscribed to by eligible shareholders as additional shares at the subscription price.
2. The underwriter undertakes to the Company that on the allocation date, it will purchase the underwritten shares in this subscription that have not been subscribed to by eligible shareholders as additional shares at the subscription price.
3. The underwriter receives a specified financial consideration in exchange for its underwriting commitment, which will be paid from the subscription proceeds.
4. The underwriter's obligation to purchase all remaining shares is subject to the provisions relating to the termination of the agreement, such as the occurrence of any force majeure events as defined in the agreement, or the non-fulfillment of a number of pre-conditions relating to the subscription.
5. The Company will provide a number of guarantees, representations and undertakings to the underwriter.

11

Exemptions

11- Exemptions

The company did not submit any exemption request to the Capital Market Authority regarding the offering.

12

Information Related to the Shares and The Terms and Conditions of the Offering

12- Information Related to the Shares and The Terms and Conditions of the Offering

The Company has submitted an application to the Capital Market Authority for the registration and offering of the new shares and to the Saudi Exchange (Tadawul) for the listing of the new shares, and all requirements under the Securities Offering Rules and Continuing Obligations and the Listing Rules have been fulfilled.

All eligible shareholders, holders of acquired rights and offerors must carefully read the subscription terms and instructions before electronic subscription or submitting the subscription application through the broker or completing the Rump Offering form. The submission of the subscription application or signing and delivery of the Rump Offering form shall be deemed as agreement and acceptance of the terms and conditions mentioned therein.

12-1 Offering

Pursuant to this Prospectus, sixteen million, three hundred and forty-five thousand, nine hundred and fifty-one (16,345,951) ordinary shares will be offered through Preemptive Rights Shares at an offering price of (10) ten Saudi Riyals per share with a nominal value of (10) ten Saudi Riyals, and a total offering value of one hundred and sixty-three million, four hundred and fifty-nine thousand, five hundred and ten (163,459,510) Saudi Riyals, representing 150% of the Company's capital before the capital increase, in order to increase the Company's capital from one hundred and eight million, nine hundred and seventy-three thousand and ten (108,973,010) Saudi Riyals divided into ten million, eight hundred and ninety-seven thousand, three hundred and one (10,897,301) ordinary shares to two hundred and seventy-two million, four hundred and thirty-two thousand, five hundred and twenty (272,432,520) Saudi Riyals divided into twenty-seven million, two hundred and forty-three thousand, two hundred and fifty-two (27,243,252) ordinary shares.

12-2 How to Apply for Subscription of Preemptive Rights Shares (New Shares)

Registered shareholders wishing to subscribe to the preemptive rights shares must submit their subscription applications during the subscription period through the investment portfolio on the trading platforms used for entering buy and sell orders. Additionally, subscription is possible through any other means provided by the broker or the securities custodian in the Kingdom during the subscription period, provided that the eligible person has an investment account with one of the brokers offering these services. Furthermore, the eligible person's data must be updated, and no changes (such as adding or removing family members) should have occurred to their information since their participation in a recent offering, unless such modifications have been reported to and approved by the brokers.

In the event of a Rump Offering Period, subscription applications for any Rump Shares may also be submitted by institutional investors only.

By participating in the subscription, the subscriber acknowledges the following:

- Approval of his subscription to the company with the number of shares specified in the subscription application.
- He has reviewed the prospectus and all its contents, studied it, and understood its contents.
- Approval of the company's bylaws and the terms contained in the prospectus.
- He has not previously applied to subscribe to the same shares for this offering through the broker, and the company has the right to reject all applications in case of a duplicate subscription request.
- His acceptance of the shares allocated under the subscription application, and his acceptance of all the terms and conditions of the subscription contained in the application and in this prospectus.
- Ensuring that the order will not be cancelled or modified after it has been submitted to the intermediary.

12-3 Subscription Request

The eligible person who wishes to exercise their full right and subscribe to all Preemptive Rights Shares they are entitled to subscribe to must subscribe through the investment portfolio on the trading platforms through which buy and sell orders are entered, or through any other means provided by the broker and custodian. The eligible person's data must be up to date, and no changes must have occurred to the eligible person's data or information (by removing or adding a family member) since their subscription in a recently conducted offering, unless these amendments have been communicated to the brokers and approved by them.

The number of shares that the eligible person is entitled to subscribe to is calculated based on the number of Preemptive Rights Shares they hold. The subscription amount that the subscriber must pay is calculated by multiplying the number of outstanding Preemptive Rights Shares they hold before the end of the subscription period by (10) Saudi Riyals.

12-4 Trading and Subscription Phase and Rump Offering Period

Eligible shareholders wishing to subscribe to Preemptive Rights Shares must submit the subscription application during the subscription period, which begins after (3) three business days from the approval of the Extraordinary General Assembly including the approval of the capital increase, on **/**/****H (corresponding to **/**/****G) and ends on **/**/****H (corresponding to **/**/****G), during the period from ten (10:00) a.m. to two (2:00) p.m.

Eligible shareholders wishing to trade in Preemptive Rights Shares must submit the trading application during the trading period, which begins on **/**/****H (corresponding to **/**/****G) and ends on **/**/****H (corresponding to **/**/****G), during the period from ten (10:00) a.m. to three (3:00) p.m.

The Extraordinary General Assembly convened on **/**/****H (corresponding to **/**/****G) approved the Board of Directors' recommendation to increase the Company's capital through the issuance of Preemptive Rights Shares, in order to increase the Company's capital from one hundred and eight million, nine hundred and seventy-three thousand and ten (108,973,010) Saudi Riyals divided into ten million, eight hundred and ninety-seven thousand, three hundred and one (10,897,301) ordinary shares to two hundred and seventy-two million, four hundred and thirty-two thousand, five hundred and twenty (272,432,520) Saudi Riyals divided into twenty-seven million, two hundred and forty-three thousand, two hundred and fifty-two (27,243,252) ordinary shares. Pursuant to this Prospectus, sixteen million, three hundred and forty-five thousand, nine hundred and fifty-one (16,345,951) ordinary shares will be offered for subscription in Preemptive Rights Shares, representing (150%) of the Company's capital before the subscription, at an offering price of (10) ten Saudi Riyals per share including a nominal value of (10) ten Saudi Riyals per share, and a total offering value of one hundred and sixty-three million, four hundred and fifty-nine thousand, five hundred and ten (163,459,510) Saudi Riyals, and the new shares will be issued at a rate of one share for each Preemptive Right. The subscription in the Preemptive Rights Shares offered will be available to shareholders registered in the Company's shareholder register at the end of the second trading day following the convening of the Extraordinary General Assembly including the approval of the Company's capital increase on **/**/****H (corresponding to **/**/****G), and to eligible persons who purchased Preemptive Rights Shares during the Preemptive Rights trading period, including registered shareholders who purchased additional Preemptive Rights alongside the rights they already hold.

In the event that the Preemptive Rights of eligible persons are not exercised by the end of the subscription period, the remaining shares resulting from the non-exercise or sale of those rights by eligible persons will be offered to investment institutions through the Rump Offering Period.

Registered shareholders will be able to trade the Preemptive Rights deposited in their portfolios through the Saudi Exchange (Tadawul). These rights are considered acquired rights for all registered shareholders in the Company's records at the end of the second trading day following the convening of the Extraordinary General Assembly for the capital increase. Each right entitles its holder to subscribe to one new share at the offering price. The Preemptive Rights will be deposited after the convening of the Assembly. The rights will appear in registered shareholders' portfolios under a new special symbol for Preemptive Rights, and registered shareholders will then be notified of the deposit of rights in their portfolios.

The timeline for the sequence and details of the Preemptive Rights Shares offering process will be as follows:

1. **Eligibility Date:** End of trading on the day of convening the Extraordinary General Assembly on **/**/****H (corresponding to **/**/****G).
2. **Trading and Subscription Phase:** The trading and subscription phase begins after (3) three business days from the approval of the Extraordinary General Assembly including the approval of the capital increase, on **/**/****H (corresponding to **/**/****G), with the trading period ending on **/**/****H (corresponding to **/**/****G) and the subscription period continuing until the end of **/**/****H (corresponding to **/**/****G). It is worth noting that the trading hours for Preemptive Rights begin from ten (10:00) a.m. to three (3:00) p.m., while the subscription hours for Preemptive Rights begin from ten (10:00) a.m. to two (2:00) p.m.
3. **Rump Offering Period:** Starts on **/**/****H (corresponding to **/**/****G) from ten o'clock a.m. until five o'clock p.m. of the following day, dated **/**/****H (corresponding to **/**/****G). During this period, the Rump Shares will be offered to a number of institutional investors (referred to as "Institutional Investors"), provided that these Institutional Investors submit purchase offers for the Rump Shares. The Rump Shares will be allocated to the Institutional Investors with the highest offer, then the next highest, and so on (provided it is not less than the offer price), with shares allocated proportionately to Institutional Investors submitting the same offer. As for fractional shares, they will be added to the Rump Shares and treated accordingly. The subscription price for the new shares not subscribed for during this period will be at least the offer price. If the sale price of the unsubscribed shares is higher than the offer price, the difference (if any) shall be distributed as compensation to the holders of the Preemptive Rights who did not exercise their rights to subscribe and to the holders of fractional shares, in proportion to the rights they hold. In the event that Institutional Investors do not subscribe to all the Rump Shares and fractional shares, the leftover shares will be allocated to the Underwriter, who will purchase them at the offering price.
4. **Final Share Allocation:** Shares will be allocated to each investor based on the number of rights they have exercised fully and correctly. As for those entitled to fractional shares, the fractional shares will be aggregated and offered to investment institutions during the Rump Offering Period. The total offering price of the remaining shares will be paid to the Company, and the remaining proceeds from the sale of the remaining shares and fractional shares without any fees or deductions (in excess of the offering price) will be distributed to those entitled thereto, each according to their entitlement, no later than **/**/****H (corresponding to **/**/****G).
5. **Trading of New Shares in the Market:** Trading of the shares offered for subscription will commence in (Tadawul) system upon completion of all procedures related to the registration and allocation of the offered shares, provided that the time period between the end of the Preemptive Rights subscription and the deposit of shares in shareholders' portfolios is 9 business days.

The company has submitted an application to the Capital Market Authority to register and offer the new shares, and the company has also submitted an application to the Saudi Stock Exchange (Tadawul) to accept its listing.

12-5 Eligible Persons Who did not Participate in the Subscription to the New Shares

Registered shareholders who do not participate fully or partially in the share subscription will be liable for losses and a decrease in their ownership percentage in the company, in addition to a decrease in the value of their current shares. Meanwhile, registered shareholders who did not exercise their subscription rights will retain the same number of shares they owned before the capital increase. Those entitled to the shares who did not participate in the subscription for the new shares will not receive any advantages or benefits in exchange for the Preemptive Rights Shares to which they are entitled, except for receiving cash compensation from the proceeds of the sale of the shares in the Rump Offering, each according to what he is entitled to. It should be noted here that if the investment institutions proceed to purchase the Rump Shares at the offering price only, or if these investment institutions do not subscribe to the Rump Offering and consequently the underwriter purchases the Rump Shares at the offering price, the eligible persons who did not participate in the subscription will not receive any compensation for the Preemptive Rights in the new shares that they did not exercise. If the Rump Shares are sold to investment institutions at a price higher than the offering price, the compensation amount for eligible persons who did not participate in the subscription to the new shares, either wholly or partially, will be determined according to the following equation:

Compensation amount for each unsubscribed share = (Total Rump Offering Price - Total Rump Offering Proceeds) / (Number of unsubscribed shares).

12-6 Allocation and Refund

The Company and the lead manager will open a bank account into which the subscription proceeds will be deposited. Preemptive Rights Shares are allocated to eligible persons based on the number of rights they have exercised fully and correctly. As for those entitled to fractional shares, the fractional shares will be aggregated and offered to investment institutions during the Rump Offering Period, and the total offering price of the Rump Shares will be paid to the Company, while the remaining proceeds from the sale of the Rump Shares and fractional shares (in excess of the offering price) will be distributed to those entitled thereto, each according to their entitlement, no later than **/**/****H (corresponding to **/**/****G). In the event that shares remain unsubscribed thereafter, the underwriters will purchase those remaining new shares and they will be allocated to them at the offering price of ten (10) Saudi Riyals per share. There will be no compensation for investors who did not subscribe or did not sell their rights, and holders of fractional shares during the Rump Offering Period.

The final number of shares allocated to each eligible person is expected to be announced without any commissions or deductions by the lead manager by recording them in subscribers' accounts. Eligible persons must contact the broker through whom the subscription application was submitted to obtain any additional information. The allocation results will be announced no later than **/**/****H (corresponding to **/**/****G).

The refund (remaining proceeds of the offering process in excess of the offering price) will be returned to eligible persons who did not participate fully or partially in the Preemptive Rights Shares subscription (if any) by Naseej International Trading Company without any deductions no later than **/**/****H (corresponding to **/**/****G). It should also be noted that bank accounts must be linked to portfolios, so that amounts can be deposited into the bank accounts of eligible persons who did not exercise their right to subscribe to the new shares and those entitled to fractional shares.

12-7 Supplementary Prospectus

The Company must submit a supplementary Prospectus to the Authority, in accordance with the requirements of the Securities Offering Rules and Continuing Obligations, if the Company becomes aware at any time after the date of publication of this Prospectus and before the completion of the offering of any of the following:

- There has been a significant change in the material content of this Prospectus.
- Any important issues that should have been included in this Prospectus have come to light.

An investor who subscribed to the new shares before the publication of the supplementary prospectus may cancel or amend their subscription to these shares before the end of the offering period.

12-8 Suspension or Cancellation of the Offering

The Capital Market Authority may, at any time, issue a decision to suspend the offering if it deems that the offering could result in a violation of the Capital Market Law, its implementing regulations, or market rules. The offering may also be cancelled if the Extraordinary General Assembly does not approve any of the offering details.

12-9 Restrictions on Trading in Preemptive Rights

With the exception of regulatory restrictions imposed on publicly listed shares in general, there are no restrictions imposed on trading Preemptive Rights.

12-10 Questions and Answers About Preemptive Rights

- **What are Preemptive Rights?**

  These are tradable securities that grant their holder the right to subscribe to the new shares offered upon the approval of the capital increase. This is an acquired right for all shareholders owning shares on the day of the Extraordinary General Assembly meeting related to the capital increase, and who are registered in the Company's shareholders register at the Depository Center at the end of the second trading day following the date of the Extraordinary General Assembly meeting. Each right entitles its holder to subscribe to one share at the offering price.

- **To whom are Preemptive Rights granted?**

  To all shareholders registered in the company's shareholder register at the end of trading on the second trading day following the date of the Extraordinary General Assembly meeting.

- **Who is a registered shareholder?**

  It is any shareholder that appears in the company's shareholder register at the end of the second trading day after the extraordinary general meeting for the capital increase.

- **When are Preemptive Rights deposited?**

  Following the Extraordinary General Assembly's meeting and its approval to increase the capital through a preemptive rights shares offering, the preemptive rights will be deposited as securities in the shareholders' portfolios in the Company's shareholders register at the Depository Center at the end of the second trading day after the Extraordinary General Assembly meeting. The shares will appear in their portfolios under a new symbol specific to the preemptive rights, and trading or subscribing to these rights will only be permitted at the beginning of the trading and subscription periods.

- **How is the investor notified of Preemptive Rights when the Rights are deposited into the portfolio?**

  Notification is made through an announcement on the trading website, as well as through the (Tadawulaty) service provided by the Securities Depository Center Company and through SMS messages sent through brokerage firms.

- **How many Preemptive Rights will a registered shareholder receive?**

  The number depends on the percentage of capital owned by each shareholder according to the company's shareholder register at the Depository Center at the end of the second trading day after the Extraordinary General Assembly meeting.

- **What is the Eligibility Ratio?**

  This is the ratio that allows registered shareholders to determine the number of preemptive rights they are entitled to for the shares they own at the end of the second trading day following the Extraordinary General Meeting. This ratio is calculated by dividing the number of new shares by the company's existing shareholdings. Therefore, the preemptive ratio is (1.5) rights for every one (1) share owned by the registered shareholder on the eligibility date. Accordingly, if a registered shareholder owns one thousand (1,000) shares on the eligibility date, they will be allocated one thousand five hundred (1,500) rights for their shareholding.

- **Will the name and trading symbol of these rights differ from the name and symbol of the company's shares?**

  Yes, the acquired right will be added to investors' portfolios under the name of the original share, with the addition of the word "preemptive rights" and a new symbol for these rights.

- **What is the value of the right at the beginning of its trading?**

  The opening price of the right will be the difference between the closing price of the company's share on the day before the right is listed and the offering price (the indicative value of the right). For example, if the closing price of the company's share on the previous day was fifteen (15) Saudi Riyals, and the offering price was ten (10) Saudi Riyals, then the opening price of the right will be five (5) Saudi Riyals.

- **Can registered shareholders subscribe to additional shares?**

  Yes, registered shareholders can subscribe to additional shares by purchasing new rights through the market during the trading period.

- **Is it possible for a shareholder to lose his right to subscribe even if he has the right to attend the extraordinary general meeting and vote on increasing capital by offering preemptive rights shares?**

  Yes, a shareholder loses his right to subscribe if he sells his shares on the day of the Extraordinary General Meeting or one working day before it.

- **How does the subscription process work?**

  Subscription requests are submitted through the investment portfolio on trading platforms through which buy and sell orders are entered, in addition to the possibility of subscribing through any other means provided by the broker to investors and the share custodian.

- **Is it possible to subscribe more than once and through more than one broker?**

  Yes, it is possible, but it must be taken into account that the number of shares subscribed for should not exceed the number of rights owned at the end of the rights trading period, as any increase in the number of shares subscribed for beyond the number of rights owned at the end of the rights trading period will result in the cancellation of the subscription request.

- **Can an eligible person subscribe for more shares than the rights they own?**

  Eligible person cannot subscribe to more shares than the rights he owns.

- **If the company's shares are owned through more than one investment portfolio, in which portfolio are the preemptive rights deposited?**

  Preemptive rights will be deposited into the same portfolio in which the company's shares associated with the rights are deposited. For example, if a shareholder owns one thousand (1,000) shares in the company as follows: eight hundred (800) shares in portfolio (A) and two hundred (200) shares in portfolio (B), the total rights that will be deposited is one thousand five hundred (1,500) rights on the assumption that for each share there are (1.5) rights. Accordingly, one thousand two hundred (1,200) rights will be deposited into portfolio (A) and three hundred (300) rights into portfolio (B).

- **In the case of subscribing through more than one portfolio, where are the new shares deposited after allocation?**

  In the case of subscribing through more than one portfolio, the new shares after allocation shall be deposited into the investment portfolio mentioned in the first subscription application.

- **Are holders of share certificates entitled to subscribe and trade?**

  Yes, holders of share certificates are entitled to subscribe, but they will not be able to trade until the certificates are deposited into electronic portfolio by the receiving entities or the Securities Depository Center Company ("Edaa Center"), and the necessary documents are brought before the end of the subscription period.

- **Can someone who has purchased additional rights trade them again?**

  Yes, they can sell them and buy other rights during the trading period only.

- **When can a shareholder subscribe to the preemptive rights that he purchased during the rights trading period?**

  After the settlement of the rights purchase (which is two business days), the subscription to preemptive rights will take place during the subscription period.

- **Can the holder of preemptive rights sell or assign the right after the trading period has expired?**

  No, that's not possible. After the trading period ends, the rights holder can only exercise their right to subscribe to the preemptive rights shares or not. If the right is not exercised, the investor may incur a loss or a decrease in the value of their investment portfolio.

- **What happens to preemptive rights that are not sold or exercised during the trading period and subscription phase?**

  In the event that the new shares are not fully subscribed during the subscription period, the remaining new shares shall be offered for subscription organized by the lead manager, and the value of compensation (if any) for the rights holder shall be calculated after deducting the subscription price. It is noted that the investor may not receive any consideration if the sale is made during the Rump Offering period at the offering price.

- **What happens in the case of subscribing to new shares and then selling the rights?**

  If a registered shareholder subscribes and then sells preemptive rights, and the number of preemptive rights purchased does not equal the number of rights subscribed for before the end of the trading period, the subscription request will be rejected entirely if part of it is sold, and the rejected subscription amount will be reported and refunded through the shareholder's broker.

- **Will any additional fees be added to preemptive rights trading transactions?**

  The same commissions will be applied to buying and selling transactions as with stocks, but without a minimum commission amount, provided that the maximum does not exceed fifteen and a half basis points (0.155%) of the total transaction value.

- **Who has the right to attend the extraordinary general meeting and vote on increasing the company's capital by offering preemptive rights shares?**

  A shareholder registered in the company's shareholder register at the Depository Center after the end of the trading day of the Extraordinary General Assembly is entitled to attend the Extraordinary General Assembly and vote on increasing the company's capital by offering preemptive rights shares.

- **When is the share price adjusted as a result of a company's capital increase through the issuance of preemptive rights shares?**

  The share price is adjusted by the market before the start of trading on the day following the Extraordinary General Meeting.

- **If an investor buys securities on the day of the general assembly meeting, is he entitled to preemptive rights resulting from the increase in the issuer's capital?**

  Yes, the investor will be registered in the company's shareholder register two business days after the share purchase date (i.e., by the end of trading on the second trading day following the Extraordinary General Meeting). Preemptive rights will be granted to all shareholders registered in the company's shareholder register by the end of trading on the second trading day following the Extraordinary General Meeting. However, the investor will not be entitled to attend or vote at the Extraordinary General Meeting related to the capital increase.

- **If an investor has more than one portfolio with more than one brokerage firm, how will his rights be calculated?**

  The investor's share will be distributed among the portfolios owned by the investor, according to the percentage of ownership in each portfolio. If there are fractions, those fractions will be aggregated, and if they complete one or more whole numbers, the whole number will be added to the portfolio in which the investor owns the largest amount of rights.

- **What are the trading and subscription periods?**

  Trading and subscription to rights will begin simultaneously three (3) working days after the Extraordinary General Assembly's approval of the capital increase, until trading ends on the sixth day, while subscription will continue until the ninth day, as stated in this prospectus and the company's announcements.

- **Is it possible to subscribe during the weekend?**

  No, that's not possible.

- **Can ordinary investors who are not registered shareholders subscribe to preemptive rights shares?**

  Yes, after the purchase of preemptive rights is completed during the trading period.

- **Additional Assistance:**

  If there is any questions, please contact the company at **otaha@Al-sorayai.com** . For legal reasons, the company will only be able to provide the information contained in this prospectus and will not be able to provide advice on the substantive basis for issuing rights or even provide financial, tax, legal or investment advice.

For more information on the terms and conditions of the subscription, please refer to section (12) " Information related to the shares and the terms and conditions of the offering" and the rest of the information contained in this prospectus.

12-11 Resolutions and Approvals Under Which Shares Will Be Offered

On 01/05/1447H (corresponding to 23/10/2025G), the Company's Board of Directors recommended the increase of the Company's capital through the offering of Preemptive Rights Shares in the amount of one hundred and sixty-three million, four hundred and fifty-nine thousand, five hundred and ten (163,459,510) Saudi Riyals, with the aim of settling financial obligations and supporting the future growth strategy.

Saudi Stock Exchange (Tadawul) has approved the request to list the new shares on the date of 29/07/1447H (corresponding to 18/01/2026G).

The Capital Market Authority's approval of the Company's capital increase through the issuance of Preemptive Rights Shares ("the Subscription"), whereby the Subscription consists of offering sixteen million, three hundred and forty-five thousand, nine hundred and fifty-one (16,345,951) new ordinary shares at an offering price of (10) ten Saudi Riyals per share, with a nominal value of (10) ten Saudi Riyals, and a total offering value of one hundred and sixty-three million, four hundred and fifty-nine thousand, five hundred and ten (163,459,510) Saudi Riyals, in order to increase the Company's capital from one hundred and eight million, nine hundred and seventy-three thousand and ten (108,973,010) Saudi Riyals to two hundred and seventy-two million, four hundred and thirty-two thousand, five hundred and twenty (272,432,520) Saudi Riyals, and the publication of this Prospectus and all supporting documents requested thereby on the date of their announcement on the Authority's website on Thursday 03/01/1448H (corresponding to 18/06/2026G).

On **/**/****H (corresponding to **/**/****G), the Extraordinary General Assembly of the Company approved the increase of the Company's capital through the issuance of Preemptive Rights Shares ("the Subscription"), whereby the Subscription consists of offering sixteen million, three hundred and forty-five thousand, nine hundred and fifty-one (16,345,951) new ordinary shares at an offering price of (10) ten Saudi Riyals per share, with a nominal value of (10) ten Saudi Riyals, and a total offering value of one hundred and sixty-three million, four hundred and fifty-nine thousand, five hundred and ten (163,459,510) Saudi Riyals, in order to increase the Company's capital from one hundred and eight million, nine hundred and seventy-three thousand and ten (108,973,010) Saudi Riyals to two hundred and seventy-two million, four hundred and thirty-two thousand, five hundred and twenty (272,432,520) Saudi Riyals.

12-12 Miscellaneous Items

The subscription application and all related terms, conditions and undertakings shall be binding upon and for the benefit of the parties thereto and their successors, assignees, executors of wills, estate administrators and heirs. It is provided that except as specifically stipulated in this Prospectus, the application or any rights, interests or obligations arising therefrom shall not be assigned, transferred or delegated to any of the parties referred to in this Prospectus without obtaining prior written approval from the other party.

These instructions, terms and any receipt of subscription application forms or contracts arising therefrom are subject to and shall be interpreted in accordance with the regulations of the Kingdom. This Prospectus may be distributed in both Arabic and English, and in the event of any conflict between the Arabic text and the English text, the Arabic text of the Prospectus shall prevail.

The Capital Market Authority may at any time issue a decision to suspend the offering if it considers that the offering may result in a violation of the Capital Market Law or its implementing regulations or market rules. The offering may also be cancelled in the event that the Extraordinary General Assembly does not approve any of the offering details.

In accordance with Article (29) of the Securities Offering Rules and Continuing Obligations, the Company must submit a supplementary Prospectus to the Authority if it becomes aware at any time after the date of publication of the Prospectus and before the completion of the offering: (1) of a material change in significant matters contained in the Prospectus; or (2) of any significant matters that should have been included in this Prospectus. In both cases, the Company is obligated to submit a supplementary Prospectus to the Authority in accordance with the requirements of the Securities Offering Rules and Continuing Obligations, whereupon the supplementary Prospectus will be issued and new subscription dates will be announced.

12-13 Statement on Any Existing Arrangements to Prevent the Disposal of Certain Shares

There are no arrangements in place to prevent the disposal of any shares.

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Changes in Share Price Resulting from Capital Increase

13- Changes in Share Price Resulting from Capital Increase

The closing price of the Company's share on the day of the Extraordinary General Assembly including the approval of the capital increase is (**) Saudi Riyals and is expected to reach (**) Saudi Riyals at the opening of the following day, with the change representing a decrease of (**%) and in the event that none of the shareholders registered in the Company's shareholder register with the Depository Center at the end of the second trading day following the date of convening the Extraordinary General Assembly including the approval of the capital increase subscribe, this will result in a decrease in their ownership percentage in the Company.

The method for calculating the share price as a result of the capital increase is as follows:

First: Calculating the market value of the company at the close of trading on the day of the Extraordinary General Meeting:

Number of shares at the end of the Extraordinary General Meeting day x Closing price of the company's share on the day of the Extraordinary General Meeting = Market value of the company at the close on the day of the Extraordinary General Meeting.

Second: Calculating the share price at the opening of the day following the Extraordinary General Assembly Meeting:

(Market value of the company at the close on the day of the Extraordinary General Meeting + Value of shares offered) / (Number of shares at the end of the day of the Extraordinary General Meeting + Number of shares offered for subscription) = Expected share price at the opening of the day following the day of the Extraordinary General Meeting.

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Undertakings Related to the Subscription

14- Undertakings Related to the Subscription

14-1 Overview of the Subscription Application and Undertakings

Subscriptions can be made using trading platforms or through any other means provided by the broker to investors. The new shares will be offered in a single phase as follows:

1. During this period, all registered shareholders and new investors will be able to subscribe to the new shares.
2. A registered shareholder will be able to subscribe directly for the number of shares they own during the subscription period. If they purchase new rights, they will be able to subscribe to them after the settlement period (two business days).
3. New investors will be able to subscribe to the new shares immediately after the rights purchase process is settled (two business days).
4. Subscription will be available electronically through the investment portfolio on trading platforms and applications through which buy and sell orders are entered, in addition to subscription through other channels and means available to the broker, provided that only the subscription will be approved for a number of new shares due under the preemptive rights present in the investment portfolio.

Each preemptive right entitles its holder to subscribe to one new share at the offering price. The subscriber to the new shares acknowledges the following:

- His acceptance of all subscription terms and instructions contained in this Prospectus.
- That he has reviewed this Prospectus and all its contents, studied them carefully and understood their substance.
- His acceptance of the Company's Bylaws.
- His undertaking not to cancel or amend the subscription application after its execution.

14-2 Allocation Processes

Preemptive Rights Shares are allocated to eligible persons based on the number of rights they have exercised fully and correctly. With regard to those entitled to fractional shares, the fractional shares will be aggregated and offered to investment institutions during the Rump Offering Period, and the total offering price of the Rump Shares will be paid to the Company, while the remaining proceeds from the sale of the Rump Shares and fractional shares (in excess of the offering price) will be distributed to those entitled thereto, each according to their entitlement, no later than **/**/****H (corresponding to **/**/****G). In the event that shares remain unsubscribed thereafter, the underwriters will purchase those remaining new shares and they will be allocated to them, and there will be no compensation for investors who did not subscribe or did not sell their rights, and holders of fractional shares during the Rump Offering Period.

Eligible persons must contact the broker through whom the subscription was made to obtain any additional information. The allocation results will be announced no later than **/**/****H (corresponding to **/**/****G).

14-3 Saudi Stock Exchange (Tadawul)

The Saudi Tadawul Group (Tadawul), formerly the Saudi Stock Exchange Company, announced on 25/08/1442H (corresponding to 07/04/2021G) its transformation into a holding company under the name Saudi Tadawul Group. This new structure supports the future development of the Saudi capital market and ensures its continuous evolution, serving as a further step toward the Group's readiness for an Initial Public Offering (IPO) during 2021G. The Saudi Tadawul Group includes four subsidiaries: Saudi Exchange (as the securities exchange), the Securities Clearing Center Company (Muqassa), the Securities Depository Center Company (Edaa), and (Wamid Company), an innovative technology services and solutions company. The Group will benefit from the integration of its subsidiaries' services and joint operations, while the independence of these companies will provide an agile and innovative business environment to keep pace with rapid developments in global markets.

Tadawul system was established in 2001G as an alternative to the Electronic Securities Information System, while electronic share trading in the Kingdom began in 1990G. The trading process is conducted through an integrated electronic system, from trade execution to settlement. Trading takes place every business day of the week, from Sunday to Thursday, in a single session from 10:00 a.m. to 3:00 p.m., during which orders are executed. Outside of these hours, orders may be entered, amended, or canceled from 9:30 a.m. until 10:00 a.m.

Transactions are executed through automated order matching, where orders are received and prioritized according to price. Generally, market orders which include the best prices are executed first, followed by limit orders. In the event that multiple orders are entered at the same price, they are executed based on the time of entry.

Tadawul system distributes a comprehensive range of information through various channels, most notably an online Tadawul platform, and provides real-time market data to well-known information providers such as "Reuters". Trades are settled automatically within two business days (T+2).

The company must disclose all decisions and information of importance to investors through Tadawul system. Tadawul system is responsible for market monitoring, with the aim of ensuring fair trading and efficient market operations.

14-4 Trading of the Company's Shares on the Saudi Stock Exchange

An application has been submitted to the Capital Market Authority for the registration and offering of Preemptive Rights Shares in the Saudi Stock Exchange, and an application has been submitted to the Saudi Exchange (Tadawul) for their listing. This Prospectus has been approved, and all requirements have been met.

It is expected that the registration will be approved and trading in the Preemptive Rights Shares will commence on the Saudi Stock Exchange following the completion of the final allocation process of the Preemptive Rights Shares, which will be announced in due course on Tadawul website. The dates mentioned in this Prospectus are considered preliminary and may be changed subject to the approval of the Capital Market Authority.

Although the existing shares are registered on the Saudi Stock Exchange and the Company's shares are listed on the Saudi Exchange (Tadawul), trading in the new shares may not take place until the final allocation of shares has been approved and deposited into the subscribers' portfolios. Trading in the new shares is strictly prohibited prior to the approval of the allocation process.

Subscribers and bidders in the Rump Offering who engage in these prohibited trading activities shall bear full responsibility for such actions, and the Company shall not bear any legal liability in this regard.

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Documents Available for Inspection

15- Documents Available for Inspection

The following documents will be available for review at the Company's head office in the Industrial Area - Jeddah 22429, Kingdom of Saudi Arabia, during official working days from Sunday to Thursday during official working hours (from 8:00 a.m. to 5:30 p.m.), starting from the first working day after the date of the invitation following the date of the invitation to convene the Extraordinary General Assembly, provided that such period shall not be less than 14 days before the date of the Extraordinary General Assembly. These documents will remain available for review until the end of the offering:

Documents Related to the Company's Incorporation and Bylaws:

- The Company's Commercial Registration Certificate.
- The Company's Articles of Association.
- The Company's Bylaws and the amendments made to it.

Approvals Related to Capital Increase Shares:

- Board of Directors' resolution recommending a capital increase.
- Copy of the Capital Market Authority's approval for the Preemptive Rights Shares issue.
- Approval from Saudi Stock Exchange (Tadawul) for the listing of the Preemptive Rights Shares.
- Extraordinary General Assembly' resolution of approving the capital increase.

Reports, Letters, and Documents:

- Underwriting agreement and underwriting management agreement
- Written approvals from the financial advisor, the lead manager, the underwriter, the legal advisor, and the chartered accountant to use their name, logo, and statements within the prospectus.
- Studying the economic performance indicators of the real estate sector, which will be financed from the proceeds of the offering.

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